

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, OCTOBER 19, 1933

## **"WESTERN AND SOUTHERN GROUP"—CINCINNATI, OHIO**

**The Western and Southern Indemnity Co.  
Policyholders Surplus \$1,506,656.98**

**The Western and Southern Fire Insurance  
Company  
Policyholders Surplus \$493,330.74**

**All Securities Valued at Market, December 31, 1932**

**CHARLES F. WILLIAMS, President**

For information concerning this progressive group, writing all lines of casualty and fire insurance, address—William C. Safford, General Manager, Cincinnati, Ohio.



# *Symbols of* **DEPENDABLE INSURANCE**

Statement of Condition of the Companies of the Fireman's Fund Group  
Based on Market Value of Bonds and Stocks as of June 30, 1933.

	Assets	Liabilities	Surplus to Policyholders
FIREMAN'S FUND . . . . .	*\$29,283,412	\$14,610,162	\$14,673,250
HOME FIRE & MARINE . . . . .	*4,791,618	2,563,431	2,228,187
OCCIDENTAL INSURANCE . . . . .	3,323,354	877,487	2,445,867
FIREMAN'S FUND INDEMNITY . . . . .	5,628,226	2,948,122	2,680,104
OCCIDENTAL INDEMNITY . . . . .	2,270,938	1,070,756	1,200,182

\* Includes stock ownership in affiliated insurance companies valued on basis of capital and net surplus.

**STRENGTH . PERMANENCE . STABILITY**

*Fire · Automobile · Marine · Casualty · Fidelity · Surety*  
**FIREMAN'S FUND GROUP**  
*Fireman's Fund Insurance Company ~ Occidental Insurance Company*  
*Home Fire & Marine Insurance Company*  
*Fireman's Fund Indemnity Company ~ Occidental Indemnity Company*

**HEAD OFFICE · SAN FRANCISCO**

***Offices in the Principal Cities of the United States and Canada***



# The National Underwriter

Thirty-Seventh Year—No. 42

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 19, 1933

\$4.00 Per Year, 20 Cents a Copy

## Individual Cases Should Be Viewed

Delinquent Agency Balance Lists  
Require Interpretation of  
Special Cases

## CASH TIED UP IN BANKS

Consideration Must Be Given Trusteed  
Offices Paying Current Bills While  
Retiring Old Accounts

A number of insurance commissioners in the middle west have called on the companies to furnish them with lists of agents delinquent 90 days or more as of Oct. 1, but in compiling such lists many companies feel that explanations or interpretations of some agencies listed should be made. For instance, there are agents who have paid their balances promptly over a long period of years, but who, through no fault of their own were caught with all of their money and some money belonging to companies in banks that unexpectedly closed. In other instances, agents have their money temporarily tied up in banks which, while they are closed at the moment, will in all probability open, and when they do the agents involved with them will be on the proper financial footing again.

There are a number of agencies that have been placed in trusteeship and who are paying their current balances promptly, but who owe a rather large past due balance. In most cases of this character, a small amount each month is being paid on the large past due balance and the current balances met promptly. It is felt by some companies that an explanation of these special situations should be made. Companies feel that they do not want to unnecessarily damage the reputation of agents. They believe that what the insurance commissioners are really seeking is a list of the chronic delinquents, the agents who never have paid their balances promptly and who in most cases do not intend to. Companies feel that there should not be included in this list the names of the high grade agents who through some special circumstance are not meeting their balances at this time, but who will work out all right over a period of years and who are not disposed to cheat the companies out of their money.

The Wyoming insurance department has requested the companies to file quarterly reports on delinquent agency balances.

## Watch Illinois Tax Bill

Insurance companies together with other business interests are following closely the progress of the bill before the Illinois legislature imposing a corporation income tax of 3 percent on all concerns operating in the state.

## Local Agents Convention Ends on Harmonious Note

The annual meeting of the National Association of Insurance Agents in Chicago closed on a note, which was gratifying to those who have the business at heart. Decision to refer the question of a more comprehensive code to a special committee from the agents' association and a committee of company representatives indicated that the agents are, in the main, prepared to travel the same road with their principals. The code question gave the agents an opportunity to blow off plenty of steam but when it came to a showdown the association seemed to realize the magnitude of the task of encompassing the various views of its membership and arriving at a workable program.

The agents were influenced, in invoking the conference machinery, by the representations of Paul L. Haid, president Insurance Executives Association, G. G. Bulkeley, president Springfield F. & M., and Wilfred Kurth, president of the Home. These executives assured the agents that company committees would be appointed immediately for discussion of the code.

### Government Uncertainty

Some of the agency leaders, who rather shied away from a code of fair competition, were nevertheless partially convinced that something should be done, on the theory that, in these times of uncertainty, no one can anticipate what the government may do.

The idea of a code seems to have the power of fascination, causing people to reach for objectives without real consideration for the legitimacy, reasonableness or practicability of the means. Consideration of the code on the part of the agents naturally became merged into consideration of a multiplicity of insurance questions, most of which have been debated for years. It was well that the code question was given so much attention at the agents' meeting. It served to emphasize the fact that the question was productive of endless discussion, which leads farther away from a decision, the further it goes.

### Dominated the Convention

Possibly the executive committee of the agents and the committee of company people can arrive at a few points for inclusion in a code, which will be agreeable to both interests and will stand some chance of being accepted. In many of the codes for other industries, which have been accepted, there is provision for some institute or organization within the business to debate and adjudicate the differences. These organizations are merely given federal sanction, which lends prestige and influence to their deliberations. This is in lieu of fixing in the code definite and final regulation as to a multiplicity of trade practices. There is existing machinery within the insurance business for taking up the many problems in the business. Whether it would be advisable to have this machinery recognized and given some sort of federal standing is open to discussion.

The code question dominated the convention. It undoubtedly created interest

in the meeting and stimulated attendance.

A most unusual procedure was the withdrawal at the last minute of two resolutions which had been prepared for submission. Old timers say that this is the first time the National association has not adopted memorials. One of the resolutions which was withdrawn was to memorialize the companies to cease deferring loss payments 60 days and the other requested insurance commissioners to rescind their orders, calling upon companies to report delinquent agents and brokers. The statement was made that the adoption of these resolutions would handicap the executive committee in its negotiations with the companies.

The group sessions this year again produced valuable material. The local board breakfast conferences were especially stimulating. Some of those at the breakfast conferences expressed a desire in the future to have these sessions given a more prominent place and the time for discussion be extended. Perhaps, however, the fact that these sessions were limited as to time, was partially responsible for their success. That is, those who participated in the discussion, made their remarks pointed and the proceedings were keener than if several hours had been allotted.

The final session of the convention was dramatic, with the decision being reached not to act then on the code question, not to adopt resolutions, to refer the compensation problem to a committee of companies and agents, instead of acting on certain definite proposals of George W. Carter of Detroit, by the appearance of H. R. Manchester of Cleveland, announcing that the question of the Federal Union case in that

(CONTINUED ON PAGE 12)

## Fire Losses in September Show Fine Decrease

NEW YORK, Oct. 18.—Fire losses continue to show a gratifying decrease, the aggregate losses for September as reported to the National Board being \$20,447,571, less by 13.45 percent than those for the preceding month, and a decrease of 33.98 percent compared with the figures of September, 1932. Aside from the record of July, which totaled \$20,004,049 the figures of the past month are lower than those for any other similar period since the first of the year.

The loss record for the first nine months of 1933, together with that for the like period of the two preceding years, is as here shown:

	1931	1932	1933
Jan. \$	44,090,449	\$ 39,224,783	\$ 35,547,565
Feb.	41,776,051	39,824,622	36,661,481
March	44,074,362	49,189,124	35,321,248
April	41,423,764	43,822,233	27,825,970
May	37,835,273	39,270,524	24,338,714
June	33,868,378	34,338,670	21,578,009
July	33,024,594	32,382,434	20,004,049
Aug.	31,917,830	31,425,331	23,626,505
Sept.	33,202,986	30,972,318	20,447,571

Total \$340,713,487 \$341,050,639 \$245,351,712

## Code Committee Named by Agents

Fire and Casualty Companies to  
Select Code Conferees  
This Week

## MEETING NEXT TUESDAY

Provisions of Instrument Under Con-  
sideration Is Announced from Na-  
tional Association Headquarters

NEW YORK, Oct. 18.—In keeping with the understanding that the subject of an insurance code is to be explored in conference with the companies, the National Association of Insurance Agents has appointed a committee to represent the agents in the deliberations. The committee consists of President Allan I. Wolff, Chicago; E. J. Cole, Fall River, Mass., chairman executive committee; Secretary W. H. Bennett, New York; P. H. Goodwin, San Diego; K. H. Bair, Greensburg, Pa.; S. O. Smith, Gainesville, Ga.; G. F. Kern, New York; H. E. McKelvey, Pittsburgh and Albert Dodge, Buffalo.

The fire companies' code conference committee will be named by the National Board this week, while the committee of casualty managers will be selected at a meeting of the Association of Casualty & Surety Executives, Oct. 20. A meeting of the three committees is scheduled for next Tuesday.

### Details of Proposal

The proposed code under review by the executive committee of the National association last week, according to a statement issued from headquarters of the organization, goes further than the codes that have been filed in Washington by the National association, National Board and Association of Casualty & Surety Executives. In addition to the labor requirements in the codes now on file, the principal factors are maximum hours and minimum wages.

"The code now under consideration," according to headquarters announcement, "states its purpose in article 1 as to effectuate the policy of the NRA in so far as it is applicable to the production of fire, marine, casualty, indemnity and surety insurance premiums. Article II sets forth the definitions used in the code. Article III discusses maximum hours and is the same as in the codes now on file. Article IV specifies minimum wages and is quite similar to the codes on file. Article V deals with the administrative machinery by creating a national code committee of 11 members and a local code committee in each city and its immediate trade area, composed of three members which shall be a sub-committee of the national committee. Article VI deals with existing contracts if and when the costs thereof are increased by the code. Article VII sets forth unfair methods of competition and

(CONTINUED ON PAGE 10)

## End of Enforcement of 60-Day Loss Clause Seen

### AGENCY PROTEST IS HEADED

#### May Abandon Provision as Matter of General Policy But Independent Loss Policy Is Certain

Indications are that one definite result of agitation at the Chicago meeting of the National Association of Insurance Agents will be the abandonment on the part of the companies of the practice of deferring payment of losses 60 days. Although a resolution condemning this practice was not adopted at the agents' meeting, the sentiment of the agents against it was obvious from discussions during the meeting.

The agents said they favored the practice during the emergency, but now that the crisis had passed objections had arisen. Since the mutuals and reciprocals have been paying losses promptly, the agents say that they suffer in competition. Furthermore, some of the agents express doubt that invoking the 60-day loss payment clause was responsible for reducing the fire loss. Then they point out that in a period of increasing values, postponing of settlement works a hardship on the assured.

#### Will Be Independent

This opposition on the part of the agents, together with the fact that several prominent company executives have come out strongly for its abandonment indicates that the companies will not put up much of a fight to have enforcement of the clause continued. However, after the deferring of loss payments in excess of \$500 is abandoned as a matter of general policy, it is certain that the companies will be independent in handling claims, to which the slightest suspicion attaches, over which any controversy develops, or where a public adjuster is involved. The idea of using prompt payment of losses competitively has been pretty largely quashed and there is no disposition on the part of companies again to enter a race to see who can be on the scene of a loss first with a check book.

Whether invoking of the 60-day clause was responsible for the sharp drop in losses is, of course, problematical. If it was not partially responsible, then it was a remarkable coincidence that losses did fall off so suddenly just after the 60 day loss clause was enforced. The truth probably is that this was one of the combination of circumstances that produced a decline in losses. The question of solvency of the companies was projected, because of the failure of the Globe & Rutgers. Anyone contemplating arson would have been deterred by the fact that he might receive payment in 60 days if the company were still in existence. Then a period of increasing values set in, which made property seem more attractive.

Companies have been embarrassed at times in enforcing the clause against agents who have been paying their balances promptly and against the assured who has paid his premiums promptly, where there is no question as to the legitimacy of the loss.

### Richmond Exchange Elects

Officers elected at the annual meeting of the Insurance Exchange of Richmond, Va. were: E. H. Sutton, president; W. T. Johnson, vice-president; Archer L. Richardson, secretary-treasurer. New directors: Thomas Gemmiell, Otis M. Alfriend, James T. Alsop, Donald C. Hancock. The annual fall outing will be held at Druin's Farm, near Richmond, October 20.

## Control of G. & R. Sold to Tri-Continental Corp.

NEW YORK, Oct. 18.—The Tri-Continental Corporation has purchased the majority stock of the Globe & Rutgers, under an option given by President E. C. Jameson weeks ago, according to an official statement Wednesday. The Tri-Continental Corporation announced that it had secured a substantial interest in the stock of the Globe & Rutgers. The announcement was signed by Earl Bailey for the corporation.

This will mean the reentry of the G. & R. into the arena, doubtless with an entirely new management. Through sale of its securities from time to time the company has now cash resources in banks of close to \$5,000,000. Its loss claims are reported to be under \$3,000,000. The return premium liability is difficult to estimate.

S. J. Lance of New York City has been appointed by Superintendent Van Schaick as special deputy of the New York department in charge of rehabilitation proceedings of the Globe & Rutgers. He succeeds A. N. Butler, who resigned to become a vice-president of Corroon & Reynolds. Mr. Lance, a member of the law firm of Austrian & Lance of this city, is a graduate of the College of the City of New York, and of the Harvard Law School, class of 1923.

In accepting the resignation of Mr. Butler, Superintendent Van Schaick paid high tribute to his ability. Mr. Butler's expert knowledge of reinsurance contracts proved of invaluable assistance. Mr. Butler's connection with the department began in 1914 as a stenographer. Twelve months later he became an examiner and in 1925 was promoted to chief examiner of the fire and marine department. Subsequently he was appointed executive assistant and still later deputy superintendent.

Underwriters' hand-books have been issued by The National Underwriter in 1933 for Colorado, Delaware, District of Columbia, Indiana, Iowa, Maryland, New Mexico, Ohio, Wisconsin, Wyoming and Chicago. Order from the Hand-Book Department, National Underwriter Co., 420 E. Fourth St., Cincinnati.

## Residence Losses in Recent Months Show Some Decline

### MORAL HAZARD WAS FACTOR

#### Better Record Attributed to Upturn in Business and Help of Federal Government

NEW YORK, Oct. 18.—A feature of the continued reduction in the fire waste noted by company officials is the lessening of the burning ratio of residence properties, the feeling being that if this desirable condition continue dwelling risks will again be worthily termed "preferred." Fires in residences began to attract attention because of their frequency soon after the debacle in the financial market in October, 1929, and steadily gained in momentum, reaching the peak point about May 1932. Since that time there has been a steady, if slow decline, until quite recently when a marked decrease in the number of losses in the class set in.

#### Moral Hazard Blamed

Though difficult of proof the conviction is held that many of the residential fires were of the moral hazard type, the theory being that their owners, in many instances, having exhausted their cash resources, and being without employment or prospect of it in the near future, turned to their fire policies as a means of temporary relief. They figured on getting something over and above the amount of mortgage with which the property was encumbered.

#### Change Is Due to Upturn

The present desirable change which is sufficiently marked as to cause general comment, is attributed to the revival in general business, affording employment to a considerable number of capable men and enabling them to carry on. A further helpful influence, it is believed, is the granting of home loans through agencies of the federal government; thus extending the mortgage period and reducing the interest charge requested.

## Valuation Basis Is Now Being Fixed by Committee

### HAD MEETINGS IN NEW YORK

#### Standard Statistics Company Gets Contract for the Preparation of Security Quotation Manual

NEW YORK, Oct. 18.—Progress was achieved by the sub-committee of the committee on valuations of the National Convention of Insurance Committee at its meeting here, and a further gain toward completion of the work may be expected to result from the November gathering. The preparation of the security quotation manual has again been entrusted to the Standard Statistics Company of this city, which had the contract last year. As probably 90 percent of the manual is devoted to giving valuations of state and municipal bonds, it is highly essential that a basis for their treatment be agreed upon at the earliest possible date.

#### Municipal Bond Figures

The values of primary municipal bond issues allowed by the National Convention last year, it is recalled were almost identical with the prevailing market quotations, and company men figure a like condition will obtain at the close of 1933. While life offices and fraternal institutions invest a considerable percentage of their funds in state and municipal bonds of first rank, casualty and fire offices do so to a far lesser extent, their preference being to buy securities that can be quickly converted into cash. Life companies, on the other hand, anticipate no such condition and make their investments with a view to long holding.

## Claims Watchmen Are Not Exempted in Most Codes

The question of whether watchmen are exempt from limitation as to hours under various NRA codes is still provocative. Recently a dispatch from Washington stated that in most of the codes watchmen were exempted from the NRA provisions.

One man who is interested in the question made an investigation and claims that limited hours for watchmen apply in 33 of the 53 codes which were approved up to Oct. 13. A large number of industries, in codes that have been submitted, but not yet accepted, according to this investigator, have volunteered substantially reduced hours for watchmen.

This investigator states the majority of industries has asked for exemption for watchmen and many codes providing for their exemption have been temporarily approved, but examination of finally approved codes shows disapproval and indicates the efforts of the administration to limit the hours of watchmen along with those of other workers.

The conclusion is, therefore, that it will be necessary in many cases to provide additional watchmen or substitute an electrical protection system in order to avoid rate penalties.

### Seeks Canadian Deposit Release

At the close of the year the Stuyvesant will apply to the minister of finance at Ottawa for the release of its securities held for the protection of policyholders in Canada. Its Canadian business was reinsured in the Pearl Assurance of London, since which time the New York company has written no new risks in the Dominion. Its deposit in the country, rather substantial at one time had been reduced at various periods because of lessened liability, and is not now likely to be much in excess of \$50,000.

## THE WEEK IN INSURANCE

Manner in which conference machinery was invoked to dispose of controversial questions was a gratifying feature of the meeting of the National Association of Insurance Agents. **Page 1**

T. G. McCracken of Chicago elected president of National Association of Mutual Insurance Companies at annual convention in Minneapolis. **Page 3**

R. M. Pons elected president of Louisiana Rating & Fire Prevention Bureau at annual meeting in New Orleans. **Page 4**

Ontario Fire & Casualty Agents Association hears J. H. Egloff of Travelers on services given by casualty insurance. **Page 27**

Louisiana Insurance Commission makes appeal to citizens to reduce fire losses, which practically prohibit chance for companies to make profit. **Page 6**

Industrial Insurers Conference at French Lick Springs, Ind. **Page 25**

Rate differentials and merit rating suggested for accident and health by H. R. Gordon at annual meeting of Industrial Insurers Conference. **Page 25**

Consideration for individual cases in agency balance reports is held to be necessary. **Page 1**

Fewer residence fires are noticed during recent months. **Page 2**

Because of added cost in the manufacture of plate glass the casualty companies anticipate an increase of rates in New York City metropolitan territory. **Page 26**

Commissioner Sullivan of state of Washington approves reduced automobile "P. L." and "P. D." rates in effect Oct. 15. **Page 26**

J. I. Carling elected president of the Ontario Fire & Casualty Insurance Agents at annual meeting. **Page 4**

London Lloyds faces demand for guaranty fund deposit in Illinois. **Page 25**

Abandonment of enforcement of the 60-day loss payment clause as a matter of general policy seems certain. **Page 2**

Companies have been approached by one of the finance companies on the proposition of financing compensation premiums. **Page 26**

O. B. Ryan of Streator, Ill., for many years counsel for the laws committee of the National Board died this week. **Page 11**

Sub-committee on valuations of the National Convention of Insurance Commissioners looks to an early completion of its work. **Page 2**

The National Board gives statistics as to fire losses for September, showing a decrease over the preceding month. **Page 1**

Chicago agents gather at luncheon to honor Allan L. Wolff, new president National Association of Insurance Agents. **Page 7**

Code conference committee of National Association of Insurance Agents is appointed. **Page 1**

Statutory pool plan of handling rejected compensation risks goes into effect in Wisconsin. **Page 27**



## McCracken Elected As Mutuals' Head

Chicago Man Is New President of National Association of Participating Carriers

### STUDY STANDARD FORMS

Jackson Named President of "Ad" Conference, Bubolz of Hail Group in Minneapolis Meet

MINNEAPOLIS, Oct. 18.—The annual convention of the National Association of Mutual Insurance Companies held here, adopted a resolution reaffirming the resolution adopted at the 1932 convention with regard to valued policy laws and suggesting that the association members would do well to keep that resolution in mind whenever the subject is before the legislatures of their own states.

Another resolution was adopted which in its original form reflected the dissatisfaction of some members towards the attitude of federal land banks in hesitating in approving insurance in some of the smaller mutuals, but in final form was toned down.

#### Substance of Resolution

It stated that there is need for a standard form of farm policy and standard mortgage clause consistent and fair both to insured and mortgagee, and authorized appointment of a committee of three to draft suitable forms for use in states not now having standard laws, the committee to report findings to the next regular meeting.

The new officers are: President, T. G. McCracken, Chicago; vice-president, Reece Jones, Des Moines, Ia.; treasurer, F. B. Fowler, Indianapolis; secretary, H. P. Cooper, Indianapolis.

Councillor, U. S. Chamber of Commerce.

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## Countersignature Law to Be Sought in Kansas Soon

Announcement was made by Holmes Meade, in his presidential address before the convention of the Kansas Association of Insurance Agents at Hutchinson that an effort will be made in the coming special session of the legislature to cause to be passed a law requiring all policies covering property in Kansas to be signed by a Kansas agent. Legislators, he said, should be impressed with the fact that such a law would not add to the cost of insurance but would bring in considerably more taxes.

Mr. Meade called attention of the members to the fact that a stock fire company is offering, through the Interstate Agency of Kansas City, Mo., to write in Kansas at 25 percent off board rates. Many letters have been sent to Kansas agents by the Interstate agency. The officers of the Kansas association have attempted to induce the company to drop its campaign.

#### Kansas City, Kan., Situation

A major problem during the year has been the Kansas City, Kan., situation, Mr. Meade said. For several years, he recalled, the local board in Kansas City, Kan., has been seeking to prevent clerks living in Kansas, but working in Kansas City, Mo., insurance offices from being licensed by the Kansas department. Conferences were held with the local board of Kansas City, Kan., the insurance commissioner and a committee of the Kansas field club. What is wanted is for the fire and casualty companies to agree not to license people who do not have the right to be licensed as agents. He expressed the opinion that conditions on this score are better than formerly.

Mr. Meade said the casualty companies should promulgate proper policy forms and charge adequate rates on coverage for contract carriers and trucks operating under a permit of the corporation commission.

Full discussion of the NRA code question was urged by Mr. Meade.

Mr. Meade recalled that the executive committee of the Kansas association, at a special meeting, decided to request the insurance commissioner to is-

## Could Give Agents More Merchantable Contracts

Fire companies and their organizations have been "asleep at the switch," in the belief of a nationally known underwriter, because they have not taken advantage of the slack period of the last four years completely to revise and modernize their forms and rules, eliminating confusing phraseology and paving the way for wide public good will.

There was a meeting last week in Minneapolis of a number of underwriters with the avowed purpose of attempting to rewrite the charges and use and occupancy grain form which has persisted almost without change ever since early in the century, although containing objectionable features that resulted in nonconcurrency and misunderstanding.

#### Complicated Phraseology

The underwriter believes the fire insurance business profitably could have used the last few years in simplifying all coverages and providing agents or brokers a much more merchantable article to sell. Fire contracts in general are entirely too complicated in phraseology, he believes. Every step toward simplification which will make the policies easier for the public to understand is a step in the right direction. All the revisions which have gone before, he said, have served to improve the contract.

According to this authority, fire companies might profitably have applied reporting forms to single risks. There is a great need for such coverage, he said. Such businesses as department stores at certain periods of the year have great difficulty in determining the valuation of contents within narrow limits. The underwriter mentioned states there is

such an order, providing that any agent assuming any financial responsibility, for unearned premiums on policies, in any company declared insolvent, will be violating the antidiscrimination act. Such an order was entered and most of the agents are adhering to it.

great need in this class for reporting forms.

General coverage contracts and reporting forms, of course, are sold by the Interstate Underwriters Board, but these are on multiple location risks.

#### Use and Occupancy Cited

It is believed a shining example of what might have been accomplished in simplifying the coverage is seen in the case of use and occupancy. The title always has been confusing, leading assureds to believe that they have coverage on many items which in fact are not covered, and even leading astray agents and brokers who have not made a thorough study of the contract.

It is perhaps only natural for an assured to interpret the term "occupancy" as describing a coverage which takes care of all fixed charges following a fire in a part of the building and necessity to maintain a skeleton force, when in fact such is not the case unless these expenses would have been earned.

#### Covers Only Net Earnings

The Ernest W. Brown reciprocals some time ago began using in place of use and occupancy the term "prospective earnings." Use and occupancy in any event covers the assured only against loss of his net earnings which except for the fire he would have made. Since this is the sum and substance of the coverage, it is considered that the insurance should be so termed. In canvassing such risks, agents and brokers frequently refer to it as "earnings" or "profits" insurance. In England it is known as "profits" insurance.

The sale of use and occupancy coverage always has been rather meagre. It is believed one reason has been a misunderstanding as to its nature and the belief, partly fostered by the ambiguous title, that it is complicated and troublesome. It is, in fact, a simple coverage, according to the underwriter referred to, and would have much more popular sale if it were retitled and properly merchandised.

## NEW MEMBERS OF AGENTS' EXECUTIVE COMMITTEE



ALBERT DODGE, Buffalo



C. F. LISCOMB, Duluth



EUGENE BATTLES, Los Angeles



W. O. WILSON, Richmond

Appointment of a strong executive committee, on which four new names appear, is announced from headquarters of the National Association of Insurance Agents. The new members are: Albert Dodge, Buffalo; C. F. Liscomb, Duluth; Eugene Battles, Los Angeles, and W. Owen Wilson, Richmond, Va. In addition there is E. J. Cole, Fall River, Mass., who was elected chairman of the executive committee, and has been ex-officio member of that committee in his capacity as chairman of the finance committee. Then there is the retiring president, C. L.

Gandy of Birmingham, who, of course, has been meeting with the executive committee.

The members of the executive committee who hold over are: President Allan I. Wolff, Chicago; K. H. Bair, Greensburg, Pa. and Sidney O. Smith, Gainesville. Those who are retiring from the committee are: P. H. Goodwin, San Diego, W. B. Calhoun, Milwaukee, Frederick Hickman, Atlantic City, Matt G. Smith, Baton Rouge, La., and T. S. Ridge, Jr., Kansas City.

## Pons Is Elected President of Louisiana Rating Bureau

### REPORT RATE SITUATION BAD

Greater Demands of Commission, Dwelling and Farm Experience Are Covered in Reports

NEW ORLEANS, Oct. 18.—At a meeting of the Louisiana Rating & Fire Prevention Bureau, R. M. Pons, vice-president of Godchaux & Mayer, Ltd., was elected president, succeeding W. P. D. Bush. E. J. Sullivan was elected vice-president and R. P. Strong, re-elected secretary-general manager. Directors are: R. H. Colcock, H. A. Steckler, J. X. Wegmann, Douglas Watson, H. B. Edwards, W. S. Leake, J. K. Farge, W. W. Charlton, Jr., J. L. De-Treville, T. W. McDaniel, A. J. Bolles, Mr. Bush, L. J. Rareshide, Felix Perrillist, R. M. Wylie and Fire Marshal R. J. Gregory (ex officio).

Mr. Bush commented on repeated opposition of the Louisiana insurance commission to any increase in fire rates on dwelling and farm property, in view of high loss records, and also upon the commission's demand on companies for an increase of almost 30 percent in the budget of expenses for its next fiscal year, which includes a full legislative session, unlike the year ended Sept. 30.

#### President Bush Comments

In regard to dwelling and farm fire losses, as compared to the fire losses as a whole, Mr. Bush stated that the ratio of losses paid on all risks to premiums written in the calendar year 1932 in Louisiana was 81 percent, which, he said, was greater than any previous year of which there is a record. Classes which contributed so much to the operating loss for the last few years have been more unprofitable than ever.

The dwelling class produced 32.1 percent of the entire income, a greater proportion than ever. Farm property, Mr. Bush reported, produced a loss ratio of 151.93 percent on an income representing 4 percent of the whole.

Mr. Bush said that in view of past experience in requesting increased rates and of the often repeated opposition of the insurance commission to any increase on these important classes, the bureau had not sought to amend schedules during the year, although the need for greatly increasing rates is apparent.

#### Expenses Were Reduced

The bureau reduced operating expenses from about \$199,000 to \$170,000, or 15 percent, including \$5,600 legal expense not contemplated. Mr. Bush commented on the greater fund asked for maintenance of the commission. The fund is not limited by law, nor does the bureau have any control over the amount or its method of expenditure, he said. In 1932 the fund amounted to \$27,250. The commission has budgeted ordinary expenses for the ensuing year of \$35,000, an increase of 16 2/3 percent over its estimate for the previous year and almost 30 percent over the amount it required last year. This, he said, was in face of a serious reduction in premiums.

#### Manager Strong Reports

Mr. Strong in his report as manager, stated membership as of Sept. 30 comprised 219 stock fire insurance companies and five mutuals, a reduction of 20 stock companies operating in Louisiana as compared with a year ago.

He criticized the extent to which agents write policies and a little later cancel them flat without premium for the period covered from date of binder. In the past year, he stated, 25,096 such policies were issued and later canceled without premium being paid, entailing \$20,645 loss to the companies.

## Problem of Truck Line As Viewed by Coast Man

Since the Inland Marine Underwriters Association of New York recently prohibited the shipper's endorsement on truckmen's cargo policies there has been greater interest in this coverage. The subjoined comments on an article published Aug. 3 in THE NATIONAL UNDERWRITER come from a Los Angeles insurance man.

Others interested in this form of insurance say the ideas presented below are correct in theory, but practically, most truckmen are private contractors and not common carriers, therefore they are entitled to make any arrangements they see fit with shippers.

The article referred to was based on views of a middle western general agent, who believes the I. M. U. A. prohibition was ill-advised and in effect will mean that the companies will carry truckmen's risks at the low shippers' rates. He also believes many truckmen's risks will be covered when no company would issue insurance direct on them. The Los Angeles man writes:

#### Says Fundamentals Overlooked

I was keenly interested in the article but the writer has overlooked some fundamentals which must have been taken into consideration by the Inland Marine Underwriters Association when they promulgated their recent set of rulings.

In the first place the carrier bailee should not be concerned with the value of the goods entrusted to his care. His basic interest is in transportation. The law recognizes that the bailee cannot at all times be cognizant of values and should not be interested beyond a prudent limit. The privilege is therefore given to the bailee, under the law, to limit his liability.

This privilege is exercised by the Railway Express Agency. They limit their liability to \$50 per package. If the shipper desires to declare a higher value he has the privilege of so doing but he must pay an additional sum not for transportation but for the service which the bailee gives in assuming a valuation beyond that which he is ordinarily content to bear.

#### Limitation of Liability

The bailee in making his transportation rate must consider the cost of the transportation service then the cost of the claims he must pay arising out of his negligence or the negligence of his employees and then add his profit. Where he limits his liability he necessarily controls the claim factor. The household goods haulers, generally speaking, observe a limitation of 10 cents per pound. The franchise haulers include a limitation in their tariffs. Their transportation charge envisages the payment of claims limited to a reasonable figure.

The owner of property transported has for years been content to insure his values when entrusted to the care of the bailee. He has insured such values via parcel post, via express, via steamer, etc., and has never demanded of these agencies that they without remuneration assume values in excess of the limitations prescribed in their contracts for haulage.

#### Auto Hauler's Predicament

With the automobile hauler a different situation has arisen. In his competition with the rails he has felt the necessity of guaranteeing values. This was a prime mistake, for the owner of goods was fundamentally interested in service. Had the auto hauler started out with a reasonable release factor the present situation would not exist.

The owner of a ten-ton truck knows what it will cost him to operate it 50 miles. The cost of operation does not vary with the value of the load. It is the same for a load worth \$500 as for a

load worth \$10,000. The truck operator can govern practically all factors except value. If he can make a profit on his 50-mile haul where his rate is based on his assuming a total loss involving payment of a \$500 claim, what rate should he charge for the same operation where the claim may amount to \$5,000?

#### Truckman Entitled to Limit

It is only proper that the truckman should exercise his legal right to limit his liability. If, like the household goods hauler, he limits it to 10 cents per pound his liability amounts to only \$200 on a ton. The average hauler is in a position to assume such a liability without insurance but the owner of the goods who has signed the limitation agreement in order that he might take advantage of the reasonable haulage rate should insure his values over and above the \$200 limit, or insure the entire value and place upon his insurance company the onus of collecting from the bailee under subrogation proceedings.

The owner of the goods entrusted to the automobile hauler is demanding a service beyond that of transportation. He is demanding that the hauler insure him against loss. The hauler is not, generally speaking, in a financial position to guarantee against loss so he turns to the insurance company with his burden.

#### Responsibility of Shipper

Up to the time the I. M. U. A. rulings were issued the insurance companies were backing up the trucker free of cost. Why should they be placed in this position? Fundamentally the hauler should concern himself with transportation and demand a limitation of his liability. He can then insure his limited liability or not, as he sees fit. Upon the owner of the goods should fall the burden of properly protecting them with insurance and under such conditions the cost for such insurance would soon find its proper level.

The premiums of the many pay the losses of the few. If each shipper were to insure his own values, then where a truck and its contents was totally lost the loss would fall on insurance companies if there were several shipments on the truck, in place of the entire loss falling upon one insurance company.

Spread of risk and volume of premium would result in lower rates for the shipper than those now in existence.

But before any permanent results can be obtained there must first be a start, and the start made by the I. M. U. A. is an auspicious one for the insurance companies and for the truck hauler. The owner of the goods must fall in line and be content to apply to insuring his truck shipments the same procedure he is content to follow in connection with his shipments via other classes of carriers.

#### Dominion Preventionists Meet

OTTAWA, Oct. 18.—The Dominion Fire Prevention Association held its annual meeting here. In place of meeting in May as in other years, this year's session was held during "Fire Prevention Week." A joint session was also held with the Canadian Chamber of Commerce, which was holding its annual convention here. The program included structural and other hazards as affecting recent fire losses in Canada, the value of organized inspection by municipal fire departments, and the efficient training of firemen for inspection work.

The following insurance agencies have been incorporated in Maryland: **Vehicle Insurance Underwriters**, 1307 Court Square building, Baltimore; **McCombs Armstrong**, Hagerstown, Md.; and the **Henry Ross Company**, 319 Chamber of Commerce building, Baltimore.

## Carling Elected President of the Ontario Association

### MANY QUESTIONS REVIEWED

Deplore Licensing of Foreign Inter-Insurance Exchanges and Reciprocal—Salaried Employees as Agents Hit

#### NEW OFFICERS ELECTED

President—Col. J. I. Carling, London. Vice-presidents—W. S. Davis, Oakville; J. C. Young, Oshawa; and Cecil Bethune, Ottawa.

Secretary-treasurer—Charles Priestman, Toronto (Re-elected).

Councillors: Ian Dowling, Brantford; T. B. King, Orillia; George Robinson, London; A. H. Selbert, Kitchener; and W. C. Davis, Oshawa.

TORONTO, CAN., Oct. 18.—The Ontario Fire & Casualty Insurance Agents' Association held its annual meeting here with J. T. Truman, Hamilton, presiding. E. P. Heaton, Ontario, fire marshal, spoke on "Rebuilding a Corral." C. S. Fitzpatrick, president Underwriters' Acceptance Corporation, Detroit, spoke on "Premium Financing." J. H. Egloff, Travelers supervisor of agency field service, spoke on "Casualty Insurance." W. E. D. Baldwin, Canadian manager Continental, of New York, described the operations of the Quebec advisory board, of which he has been a member since its inception. H. R. Teitrich, chief of Pennsylvania division of agents and brokers, discussed the agents' qualification law.

#### Many Topics Discussed

Other topics discussed were: Thirty day automatic cancellation. Should a fire policy, after being in force for three months, be incontestable by the insurer in the event of a total loss and return to the assured of any excess premium? Should companies be required to make quarterly reports to insurance departments listing the names of agents and brokers who for a period of over 90 days are in arrears? Does free insurance or credit evil exist? If there is a \$50 deductible property damage—why not also \$25 deductible public liability? Should a government rating bureau be advocated? Should a drive be started for an agents' qualification law? Should a protest be registered with the attorney-general's department against admitting of foreign inter-insurance exchanges, reciprocals, and what not?

A motion was adopted deploring the licensing of foreign inter-insurance exchanges and reciprocals, which in the course of the discussion were described by one association officer as "wildcat companies from across the border." Another resolution objected to the licensing of salaried insurance employees of agents and the executives were directed to take this matter up with the department of insurance.

## Hardin Succeeds Hyde as Retail Credit's Manager

E. J. Hyde, division manager of the Retail Credit Company, with headquarters in Chicago, has retired, being succeeded by E. J. Hardin from the head office. Mr. Hardin has been connected with the company 11 years, being for some time in charge of fire and casualty sales work. All of his experience has been in the head office.

Mr. Hyde has served the Retail Credit 25 years, having been located in various capacities in Dallas, New York, Atlanta and Chicago. He had been division manager in Chicago since 1928. J. P. McDowell, manager of the Chicago office, continues in that capacity.

With the approval by Idaho of the inland marine definitions endorsed by the National Convention of Insurance Commissioners the number of states that have sanctioned the interpretations has been increased to 15.



DURING THE GOLD RUSH DAYS OF '49, THE GLENS FALLS MADE ITS BOW



*From an old Glens Falls policy*

# WINDSTORMS

We have all kinds of windstorms—from the gentle breeze to the tornado on land and the hurricane over the sea—but we have still another kind, the changing winds of the business world. • For the last few years insurance companies have been lashed by the raging winds of adversity and it has taken strong financial foundations to withstand the storm.

• Today we are in hopes that the storm is subsiding—in fact we have ample proof of it. The worst

is over with. • We believe that the vast majority of the insurance companies which have come through the storm are financially sound and that the agent and the public may do business with them with confidence. • The institution of insurance, which has done so much to stabilize credit and reduce the hazards of engaging in commerce, can be depended upon to unobtrusively play its important part in the recovery of our country and the world.



DURING THE GOLD RUSH DAYS OF '49  
THE GLENS FALLS MADE ITS BOW

**Glens Falls**  
INSURANCE COMPANY  
Glens Falls, New York

**COMMERCE**  
INSURANCE COMPANY  
Glens Falls, New York

**Glens Falls**  
INDEMNITY COMPANY  
Glens Falls, New York





**THIS SIGN HAS STOOD FOR STRENGTH, SOLIDITY  
AND SQUARE DEALING SINCE 1710**

## SUN INSURANCE OFFICE, LTD. OF LONDON

Oldest in the World Founded 1710

**Sun Underwriters Insurance Company of New York**  
**Patriotic Insurance Company of America**  
**Sun Indemnity Company of New York**

**FIRE**  
LIGHTNING  
WINDSTORM  
AUTOMOBILE  
EXPLOSION  
RIOT & CIVIL COMMOTION  
USE & OCCUPANCY  
RENTS & RENTAL VALUE  
LEASEHOLD  
INLAND MARINE  
OCEAN MARINE

**TOURIST FLOATER**  
**SALESMEN'S FLOATER**  
**YACHT AND MOTOR BOAT**  
**ALL RISK PERSONAL**  
**JEWELRY**  
**ALL RISK PERSONAL FURS**  
**ALL RISK TOURIST FLOATERS**  
**JEWELERS BLOCK POLICIES**  
**PUBLIC LIABILITY**  
**MERCHANDISE IN TRANSIT**  
via Truck, Rail or Steamer  
(Annual or Trip Policies)

**HEAD OFFICE:** 55 Fifth Ave., New York  
O. Tregaskis, Manager, Eastern Department

### WESTERN DEPARTMENT

Wrigley Building, Chicago  
John F. Stafford, Manager

### PACIFIC COAST DEPARTMENT

San Francisco, Cal.  
Carl A. Henry, General Agent

### MARINE DEPARTMENT

11 South William St., New York  
Wm. H. McGee & Co., Inc., Gen. Agt.

### SUN INDEMNITY COMPANY

55 Fifth Ave., New York  
F. I. P. Callos, President

**12** **ATTRACTIVE PICTURES AND  
SALES CAPTIONS** **12**  
*that help you sell more insurance*  
Send 10 cents today and get a sample of the NEW  
1933 National Underwriter Insurance Calendar, A-1946  
Insurance Exchange, Chicago.

## Louisiana Commission Makes Appeal for Aid of Citizens

### ASKS FIRES BE CONTROLLED

**Huge Loss Ratio in State Said to Prohibit Chance of Making Profit**

NEW ORLEANS, Oct. 18.—The Louisiana insurance commission has issued an appeal to citizens to prevent the "further pyramiding of terrific fire losses," such as were incurred in 1932, particularly on dwellings. Fire losses make the rates, and only citizens are able to correct the situation which threatens to undermine the rate structure, the commission urged in a statement signed by Chairman R. M. Walmsley and Commissioners R. F. Woods and I. W. Gajan.

The Louisiana ratio including losses and expenses on 1932 fire business was 123.161 percent of premium income, the commission reported. The fire insurance business in the state ran into the "red" \$1,488,044. The dwelling class was mainly responsible for the situation, furnishing total premium income \$2,061,229, losses and expenses \$3,434,960, or a loss ratio, including expenses, of 166.51 percent.

### Blames Companies, Agents

The commission stated "In a large measure our present troubles are due to the carelessness of the insurance companies and of the agents in representing them." The commission described the valued policy law, which it pointed out once was the safeguard of the policyholder, as the present "vehicle by which the fraudulent insurer is able to capitalize the mistakes of the unfaithful agent."

"When we find such classic demonstrations as policies totaling \$127,500 on property actually worth \$3.96," the report continues, "when we find household furniture insured for \$1,400 and actually worth \$25; policies totaling \$140,250 on goods actually worth \$5,600, policies totaling \$255,000 on goods actually worth \$65,000, all actual cases from court records, surely we must grieve that the insurance companies and their agents stand indicted for looseness in the handling of such business."

The commission reported that for 45 years, the Louisiana fire loss record was admirable, loss ratio standing at 50.3 percent. "The fire insurance business in Louisiana," the commission reported, however, "is in such a state that millions of dollars of business is declined by the insurance companies because it is practically certain that not only is there no chance of profit but that the companies actually will be forced to pay out more than they receive on the particular classes in question."

All classes for five years, 1928-1932,

## Live Topics on Program of Wisconsin Agents' Meeting

### WOLFF TO BE AT BANQUET

**Sessions at Fond du Lac to Occupy Two Days With Business and Entertainment**

MILWAUKEE, Oct. 18.—Members of the Wisconsin Association of Insurance Agents attending the annual meeting at Fond du Lac Oct. 24-25 will hear practical discussions on current problems. Subjects to be discussed are the National Recovery Act as it affects the insurance agent, the 60-day loss payment, 45-day cancellation, compensation insurance, state and national legislative matters, reports on the recent national convention and other matters. This type of program follows the precedent set by the national organization, according to Joseph G. Grundle, Milwaukee, secretary and treasurer of the state association, and only three speakers are scheduled.

The convention will open Tuesday at the Retlaw hotel. Tom Butler of the Travelers, will speak on "Agency Problems," and there will be reports and open forum discussions.

### Wolff to Speak at Banquet

At the annual banquet Tuesday evening, Allan I. Wolff, Chicago, newly elected president, will speak on "The National Association."

Wednesday morning another business session will be held, followed by the election of officers. A prominent figure in the insurance business is scheduled to make an address on a current subject of interest.

A complete report of the National convention will be made by President W. J. Tucker of Beloit, William B. Calhoun, Fred J. Lewis, L. C. Hilgemann, Milwaukee; C. Estabrook, Rhinelander; Mrs. Myrtle B. West, Oshkosh, and August Lutze, Sheboygan.

W. J. Ryan, Fond du Lac, is chairman of the general convention committee, and W. C. Thornton, president of the Fond du Lac Board of Underwriters, is in general charge of local activities. The annual golf tournament and other recreation are provided for the afternoon of the final day of the convention.

showed loss ratio 106.83 percent, while dwellings for the period showed 137.20 percent. All classes for five years, 1923-1927, 114 percent, while dwellings for the same period showed 127.32 percent.

Harry K. Rogers, the fire clown, is in Columbus, O., this week, to assist the city firemen in a five-day school of instruction as to the latest methods in fire fighting and fire prevention. He will also speak before public and parochial school children.

Purely an Agency Company

## SUSSEX FIRE

**B**OTH in spirit and letter observing the principles of the American Agency System.

## INSURANCE

Cash Capital



## COMPANY

\$1,000,000.00

**C**OMPLETE facilities afforded every agent that represents this company.



## Chicago Agents Gather to Honor President A. I. Wolff

### MANY NOTABLES ARE PRESENT

Percy Goodwin, W. B. Calhoun and Eugene Battles Attend Luncheon for New Head of Association

Members of the Chicago Insurance Agents Association turned out at a luncheon Tuesday to welcome several national agency leaders and pay honor to Allan I. Wolff, new president of the National Association of Insurance Agents and one of the organizers of the Chicago association. There were present two past presidents of the National association, Percy H. Goodwin, San Diego, and W. B. Calhoun, Milwaukee, and in addition Eugene Battles of Los Angeles, new member of the National association executive committee.

This was the annual meeting of the Chicago association. L. D. Stitt, secretary of Starkweather & Shepley, Chicago, was elected chairman; P. B. Hosmer, R. W. Hosmer & Co., vice-chairman; F. S. Bankheart, secretary; H. C. Brummel of Brummel Bros., treasurer. George R. Bowman of R. A. Napier & Co., was elected to the executive committee for the unexpired term of Mr. Bankheart and Ralph Miller for the unexpired term of P. B. Hosmer. Retiring Chairman H. M. Loeb presided.

H. E. Reeves, chairman of a special committee which has been studying a proposal to apply a \$1 service charge to all casualty policies with premiums under \$15 as is done now in fire insurance in Chicago, reported. He said that since there is no casualty organization in Chicago which could take over the burden of enforcement, such a charge could prevail only by mutual willingness to assess it.

Mr. Goodwin and Mr. Calhoun both expressed the belief that the National association is fortunate in having at its head this year a man willing to devote a great deal of time to the agents' interests. They said no administration has been charged with solution of so many serious problems. L. E. Yager, president Chicago Board, extended a welcome to the visitors.

Mr. Wolff said the government has pointed a way through the NRA for all businesses to go a long way toward solving their troubles but insurance men should not delude themselves that they can unload all their troubles on the government. He said the agents are taking a wise step in looking to a country wide solution of difficulties.

### Endorsement Covers Loss Due to Code Restrictions

A reader writes, asking for information as to what position a fire company takes with a loss such as follows: A building damaged is of frame construction located inside the fire zone. There is a city ordinance which does not allow repairing or rebuilding of any frame building where the loss exceeds \$100. The amount of insurance carried is \$5,000. Cost to repair would be \$4,000, but city ordinance forbids. Is an assured under the above conditions justified in making a claim for total loss because he has to tear down and wreck the building? Is it proper for him to claim that the loss was occasioned by fire?

Fire companies do not cover the additional loss due to such cause, but only the actual fire loss sustained as determined by adjustment. The restriction mentioned is one found in most building codes. Fire companies have made provisions against this by offering an endorsement entitled in the rule book "Contingent Liability from Operation of

Building Laws." This can be added for extra premium and covers up to face of fire policy. Liability does not exceed actual value prior to loss or damage, nor does it include any expense of the greater cost of construction.

### Earned Agency Cup

H. E. McKelvey of Pittsburgh, who was awarded the cup at the Chicago meeting of the National Association of Insurance Agents for having performed the most outstanding service during the year to the American agency system, earned that recognition because of his long and outstanding service and par-

ticularly for one important contribution. He served as chairman of a sub-committee of the fire conference committee of the National association on the branch office question. Through his diplomacy and intelligence, he was successful in composing radically different opinions and submitted a report which placed the National association in what it believes is a tenable position on the branch office question. His report will serve as the basis for negotiations with the companies on this issue.

The F. B. Miller Co., New Haven, Conn., has been incorporated by F. B. Miller and S. I. Smith.

## Convention Dates

Oct. 19-20—Kansas Agents, Hutchinson.  
Oct. 21—Utah Agents, Salt Lake City.  
Oct. 24-25—Wisconsin Agents, Fond du Lac.  
Nov. 7-9—California Agents, Pasadena.  
Dec. 5-6—Insurance Commissioners, New York.

It is likely that several insurance measures will be introduced at the coming session of the Washington legislature which Governor Clarence Martin will call shortly.

# A MESSAGE TO THE INSURANCE AGENTS OF AMERICA

DURING the first week of September we assembled at Watertown, N. Y., to celebrate the 80th anniversary of the founding of the Agricultural.

It is significant to us—more than the founding of one company—that 80 years ago there was established the first of several generations of sound management which have carried the Agricultural and its ally, the Empire State, to their present enviable position.

We, in the field, are proud of the Agricultural and its long successful record. We are proud of the condition with which the company now faces the future.

And we are equally proud of the growth of the Empire State—which, with actual capital and surplus of \$2,018,268.35 (June 30, 1933) has

\$5.36 in assets to cover every dollar of liabilities.

It is a pleasure to report to you the companies' unswerving allegiance to the American Agency System. We cannot stress strongly enough the sympathetic understanding that the entire Home Office organization has for your local problems. Everyone of us was impressed again with the fact that the companies we represent are sincerely anxious to do everything reasonable to help improve your business.

No doubt there are many first rank agencies who will be interested in a detailed account of the many advantages we have to offer. Won't you please write the Home Office who will notify one of us near you—to see you promptly?

## The Field Representatives of

**Agricultural**  
Insurance Company.  
of Watertown, N.Y.

**Empire State**  
Insurance Company.  
of Watertown, N.Y.

H. C. Anger  
J. E. Bourcy  
J. R. Brown  
N. B. Browne, Jr.  
F. F. Buell  
R. E. Eisert  
E. S. Freeman

J. J. Garland  
A. L. Hollenbeck  
E. C. Jessup  
H. H. Landon  
J. D. LaTere  
Wilson Lively  
Paul Love

Wharton Mitchell  
Stuart Morgan  
Joseph Mottet  
R. C. Parker  
George C. Peacock  
W. P. Phillips  
William Rardin

E. R. Seaver  
George Shaw  
C. W. Sherwin  
T. E. Snelling  
L. E. Tanner  
A. F. Turton  
Paul Zoelzer



# PROTECT WHAT YOU HAVE

COPYRIGHT 1932 BY INS. CO. OF NORTH AMERICA

That Fire Prevention and Fire Insurance go hand in hand as expressions of the fundamental urge to "Protect What You Have" is stressed in the regular North America national advertising this month. Also, the enviable financial position of the Insurance Company of North America is featured in an "open letter to the insuring public" occupying a full page in The Saturday Evening Post.

*See the North America full page advertisement in the Literary Digest, October 7th, and the full page advertisement in The Saturday Evening Post of the same date.*



## Insurance Company of North America

PHILADELPHIA

*and its affiliated companies write practically every form of insurance except life*

### SNAPSHOTS OF AGENCY CONVENTION

L. W. Gosling, a director of the Texas Association of Insurance Agents, and F. F. Ludolph, secretary of the San Antonio Insurance Exchange, represented San Antonio at the convention.

Those presiding at the Sun headquarters included Western Manager John F. Stafford, Assistant Managers C. W. Ohlsen and John A. Benz, Agency Superintendent John Chickering, R. L. Bolling, Illinois and Missouri State agent, and J. C. Dulaney, state agent from Oklahoma City.

The Home was generously represented by home office and field talent and its headquarters were always gay. The head office delegation consisted of President Wilfred Kurth, and Vice-Presidents H. V. Smith and F. E. Burke. From Chicago there was General Manager C. D. Lasher, Manager E. R. Herd, Brokerage Manager E. V. McKarahan, Marine Manager J. B. Thomas. The field representatives included R. L. Minner, Springfield, Ill.; W. L. Schreiber, Peoria, Ill.; A. H. Knight, Chicago; L. J. Fischer, Indianapolis; C. H. Anderson, Milwaukee; J. P. O'Brien, Grand Rapids, and L. H. Bridges of Chicago, most loyal gander of the Blue Goose.

From the Travelers Fire came R. D. Safford, superintendent of agents, and W. C. Kirkland, assistant superintendent. From the Travelers Indemnity were Tracy W. Smith, superintendent of agencies, and T. Stewart Gray, assistant superintendent.

President John M. Thomas and Vice-President H. A. Yates did the honors for the National Union Fire.

The North America headquarters was a popular spot for the conventioners and the display of old fire marks, fire helmets, etc., set up by that company near the registration booth attracted much favorable comment. Present from the home office were Vice-Presidents John O. Platt and Sheldon Catlin. Then there was a group of officials from the Indemnity of North America including Vice-Presidents John Diebold and Benjamin Rush, Jr., and H. P. Stellwagen. Western Department executives also officiated. There was Western Manager C. R. Tuttle, and Assistant Managers H. A. Miller and W. P. Robertson.

R. E. O'Malley, insurance commissioner of Missouri, visited in the lobbies. He was appointed comparatively recently and many of the fire and casualty insurance executives welcomed this opportunity to get acquainted.

Among the bureau people on hand were Paul L. Hald, president of the Insurance Executives Association, F. Robertson Jones, manager, and C. R. Fairchild, assistant manager Association of Casualty & Surety Executives, and J. R. Dumont, manager Interstate Underwriters Board.

J. B. Miller, assistant secretary of the National Association of Insurance Agents from the chief office in New York, was the first man on the ground, arriving last Wednesday to confer with Allan I. Wolff, executive committee chairman; the Chicago Board arrangements committee, and the hotel. Secretary W. H. Bennett arrived Friday.

The U. S. F. & G.-Fidelity & Guaranty Fire organization was represented by Vice-President W. A. Edgar and Agency Director P. F. Lee of the casualty company and by President F. H. Gantert, Vice-presidents Harry Ogden and H. E. Helm of the fire company.

Cordial hospitality was extended by a large group of North British & Mercantile officials, who included Charles E. Case, assistant manager; J. P. Hollerith, R. L. Mouk and John L. Mylod, secretaries, W. F. Sweazea, Chicago manager,

W. J. Traynor, assistant advertising manager, and P. J. Moriarty, Detroit metropolitan manager.

Something of a roundup of western field men of the Norwich Union was held during the convention week. W. M. Frink, assistant manager, came on from New York. There were eight field men from the middle west, they being quartered in the Medinah Athletic Club.

Distinguished visitors from England were introduced to a few of the conventioners Monday and Tuesday by George Blossom, manager for the Eagle, Star & British Dominions. They were Hugh MacNabb, world manager of that company, and Bryan Mountain, son of Edward Mountain, managing director of the Eagle, Star.

Present from the head office of the Hartford Fire was Vice-President F. C. White. He was assisted in greeting by western department officials including General Agent A. G. Dugan and C. H. Smith, Clem E. Wheeler, and W. C. Boorn, associate general agents.

Outside the convention hall, John J. Hall set up an exhibit of accident prevention posters which are being used effectively by many local boards. Mr. Hall is director street and highway safety National Bureau of Casualty & Surety Underwriters.

A telegram of regret because of inability to attend, from Commissioner Dunham of Connecticut, was read to the convention.

C. H. Derrick of the E. Townsend & Son Agency at LeRoy, N. Y., won the oil painting of the covered wagon insignia which the Springfield Fire & Marine uses in its advertising and which was on display at the company's headquarters at the annual convention of the National Association of Insurance Agents in Chicago last week. The names of all the agents who registered at the Springfield's headquarters were put into a hat and the winning name drawn by a committee of judges. The painting was the object of considerable attention and admiration.

### Van Schaick Letter on Reporting Delinquents

A letter from Superintendent Van Schaick of New York to T. L. Rogers, secretary New York State Association of Local Agents, on the reporting of delinquent agents and brokers, was read to the meeting of the Michigan Association of Insurance Agents and exhibited at the meeting of the National Association by Albert Dodge, well known local agent of Buffalo.

"The thought underlying the convention resolution," said Mr. Van Schaick, "is that in many cases accounts are permitted to get in arrears merely through a habit of delinquency in transmitting funds to the companies. In some cases the failure of the producers to press with sufficient vigor for the payment of premiums by assureds may cause balances to be uncollected.

"There is no threat contained in the resolution that agents or brokers' licenses will be revoked where companies report over 90 day balances. It is not conceivable that an agent would be condemned for not paying a balance which he has not collected and especially where the company involved has knowledge of and acquiesces in the condition.

"There is no doubt that the information contained in the reports which companies will submit will be of value to the insurance departments, particularly when subsequent reports are received which may show either an improvement or a further delinquency in accounts, which, in the latter case, may warrant a review of the underlying causes.

"Agents who pursue a meritorious course of action and follow a standard that recognizes the merit of individual situations, need have no fear of the consequences of having their names reported to this department."

Audits Investigations  
**FERGUSON, SERLING,  
DANIELS & PORTER**  
ACCOUNTANTS AND ACTUARIES  
102 Maiden Lane, New York, N. Y.  
Organization Management



## AS SEEN FROM CHICAGO

### WILL HAVE BLUE GOOSE PUDDLE

The Illinois Blue Goose officers and some of the active members met in Chicago Monday to talk over plans for a series of functions during the year, starting in November. The meeting was in charge of Most Loyal Gander C. A. Ohlsen of the Sun. It was decided to organize a "puddle" at some downtown center at an early date. A committee embracing a number of members making their headquarters out of Chicago was appointed to take up the establishment of the puddle.

### STAFFORD ADDRESSES FIELD CLUB

Out of a fire insurance past stretching back to 1897, J. F. Stafford, western department manager of the Sun drew reasons why fire insurance men should not be pessimistic even though Chicago fire premiums have dropped in the last few years from \$27,000,000 to around \$18,000,000, in an informal talk at the monthly meeting of the Cook County Field Club in Chicago. Mr. Stafford said the man with will can drive through and find the business. It has been done, he said, ever since he could remember. When he started as a field man he asked for "final instructions." He was starting out on a territory comprising six states. He was told there never were any final instructions in fire insurance field work, that he either could get the business or get out. He drew a comparison between present times and an era long before his time, the year of 1837 when there was a great depression in this land. An old publication told of real estate speculation, of men going mad with speculation. At the time it was considered an almost irreparable condition.

The entire country is bound to come back, Mr. Stafford said, but this will not be done if men sit around and cry and do nothing to bring back the premiums. They must put their shoulder to the wheel, become conversant with business conditions, keep abreast of the changing conditions in real estate offices, the problems of agencies, etc. A successful field man of today, he said, is one who will come through in spite of depressing conditions, who will do more than he is asked to do, who will devote himself to small details. "Each little thing done better is a thin wedge into a greater accomplishment," Mr. Stafford said. He advised keeping one's mind off the thought that times are hard.

President F. B. Ingledew presided for a part of the meeting and then relinquished the chair to Vice-president A. J. Casey. The resignation of L. C. Peterson of the Sun was accepted and John Chickering, agency supervisor of the Sun of England was elected in his place. R. E. Kinsman, Automobile of Hartford, also was elected a member. A letter from the Insurance Club of Chicago regarding a plan of consolidating several Chicago organizations was received for consideration. A proposed amendment to the by-laws to change the December annual meeting to November to avoid conflict with the annual December party was read and passed over to the November meeting when a nominating committee will report, and if the amendment is passed annual election will be held. Installation of officers will be in the December meeting.

### DELINQUENCY RULING ALTERED

Insurance Director Palmer of Illinois has issued a ruling that if class 1 members of the Chicago Board report delinquent brokers and sub-agents with whom they deal, under the department order requiring such reports, the department will not require reports from the insurance companies as to the status of those brokers and sub-agents. In

other words, he explains, if any company does not have the facts relative to delinquent accounts of sub-agents and brokers who may be doing business with a supervising agent, the company should request such supervising agent to make the report direct to the insurance department and the company should then make a statement to the department that, in addition to the delinquents being reported by that com-

pany, other delinquent accounts will be reported direct by the supervising agent.

Mr. Palmer states he was compelled to recognize the reasonableness of this procedure because it would entail considerable extra clerical expense to break down all of the accounts of brokers and allocate them directly to the company, which eventually issued the policy after the business was placed with the supervising agent by the sub-agent or broker.

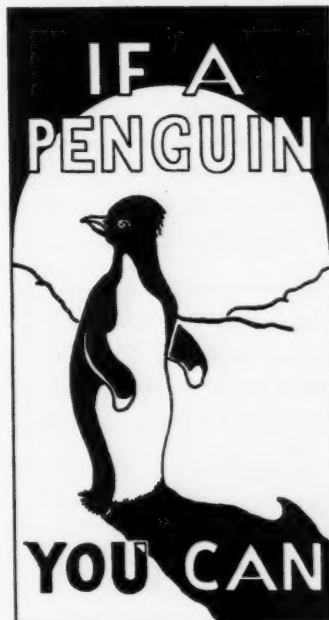
### Outstanding Premiums Reduced

A decrease in unpaid fire and casualty premiums in New York City during

May was reported by the Central Bureau, the operations of which, with the support of the insurance department, are making increasingly clear to brokers and assureds in that city the necessity of settling premium accounts promptly.

### Mrs. M. A. Tucker Suicide

LITTLE ROCK, ARK., Oct. 18.—Mrs. M. A. Tucker, 49, wife of the state agent for the North America, committed suicide at her home here. She is survived by her husband and a son, Minor Tucker, Jr.



## STAND GUARD against disaster

To-day's chief weapon of defense is insurance in companies of recognized financial responsibility. Such insurance is written by our agents—men who have at their disposal all the facilities needed to provide adequate pro-

tection against losses due to fire and other hazards. Our agents are kept up-to-date on matters affecting insurance and can therefore give their customers the benefit of competent advisory service.

THE PHOENIX INSURANCE CO.  
OF HARTFORD, CONN.

## Read What this Agent Has to Say About ANALYZING INSURANCE STATEMENTS!

The other day an agent told us that he was faced with the problem of analyzing the statements of all the companies he represented for a large prospective customer.

He said that he realized that mere Assets and Liabilities and Surplus and Capital meant very little in determining the real strength of a company, unless they were compared with the amount of business that the company had written, and the potential risk that this business represented; so he decided to compare the Unearned Premium Reserve, which reflects the liability that these companies had assumed, with the Policyholders' Surplus.

This agent went out of his way to tell us that no company that he represented had such ample Capital and Surplus in comparison with their Unearned Premiums as the Kansas City Fire and Marine Insurance Company. In other words, the strength of the insurance company should be measured by the amount of the load it is trying to carry.

He also stated that the "liquidity" of our company was greater than any company he represented because we had Cash and Government Bonds in excess of our Unearned Premium Reserve.

### KANSAS CITY FIRE & MARINE INSURANCE COMPANY

Home Office:  
Federal Reserve Bank Bldg.  
Kansas City, Mo.

Branch Office:  
Insurance Exchange  
Chicago, Illinois

Send 9 cents in stamps for sample copy of  
**THE ACCIDENT & HEALTH REVIEW**  
The only exclusive accident and health paper published.  
Address your inquiry to A-1946, Insurance Exchange, Chicago

## McCracken Elected As Mutuals' Head

(CONTINUED FROM PAGE 3)

merce, W. E. Straub, Lincoln, Neb.; directors for three years, R. J. Chase, Lockport, N. Y.; O. E. Hurst, Lexington, Ky.; Justin Peters, Philadelphia; G. W. Miller, Bucyrus, O.

### Savannah Selected for 1934

Savannah, Ga., was selected for the 1934 convention. The report of the credentials committee showed 231 companies represented at the convention, 192 member companies and 39 non-members. Registration of individuals totaled 557, but the attendance was at least 200 more.

The Mutual Insurance Advertising Conference elected officers as follows: President, W. E. Jackson, advertising manager Grain Dealers National Mutual, Indianapolis; vice-president, Len Jones, advertising manager Lumbermen's Mutual, Mansfield, O.; secretary, C. T. Coates, advertising manager Indiana Union Mutual, Indianapolis.

### Bubolz Heads Hail Group

The Hail Association of the Farm Mutuals elected Julius Bubolz, Appleton, Wis., as president, and W. A. Rutledge, Des Moines, secretary. H. P. Cooper at the time of Mr. Bubolz's election, explained that next March, Mr. and Mrs. Bubolz will celebrate their golden wedding; that they have 13 children, all now grown up and every one of them college graduates, and there are 28 grandchildren.

The annual banquet was attended by nearly 1,000 people. Harry Harrison, Worcester, Mass., retiring president of the National association, acted as toastmaster. Miss Lutzi, Minneapolis vocalist, sang solos. The speaker was J. P. Devaney, Minneapolis, recently appointed chief justice of the Minnesota supreme court, who gave a history of events leading up to formation of the United States constitution.

## Code Committee Named by Agents

(CONTINUED FROM PAGE 1)

article VIII contains the general conditions required by the law to be inserted.

"Obviously the principal interest is in article VII on unfair methods of competition. An attempt therein is made, among other things, to prevent rate cutting, rebating, and the receiving of differential commissions in the same agency; to limit production cost of branch office or home office counters; to prevent producers from operating contrary to the reasonable rules of a local board; to prohibit solicitation of insur-

## Mutuals' President




THOMAS G. MCCRACKEN

Thomas G. McCracken, who recently joined the Kemper fleet in Chicago as vice-president and underwriting manager of the National Retailers Mutual, was elected president of the National Association of Mutual Insurance Companies at its annual convention in Minneapolis. During the past year Mr. McCracken served as vice-president of the National association and as president of the Federation of Mutual Fire Insurance Companies. He has been a prominent figure in mutual fire insurance circles for 20 years.

ance by mail or radio; to prevent the appointment of political agents or brokers or those not intending to act in good faith as agents; to prevent over head writing; to require prompt remittance of collected balances; to prevent undue extension of credit to assureds; to protect expiration information; to prohibit writing of automobile fleets and fictitious groups at discriminatory rates; to prevent the using of the coercive power of credit lodged in a money-lending institution; to prevent making willful misrepresentation of rates or forms; and certain other practices declared by the agents to be unfair methods of competition."

The Georgia supreme court dissolved a receivership for the **Globe & Rutgers** Tuesday, which held up the assets on deposit with the state treasurer of Georgia, this action reversing a decision of Judge Humphries of the Fulton county superior court on a petition of the Salvation Army, of Georgia. The Salvation Army sued the company for \$1,289 unearned premiums on policies carried on its property.



## HANOVER

Our Policies Satisfy Assureds  
because  
they are backed by Excellent Financial Stability

Policy Holders' Surplus Jan. 1, 1933, \$7,441,988      Securities at market values

**The HANOVER FIRE INSURANCE COMPANY of New York**      Charles W. Higley, Pres.



## O. B. Ryon Dead From Heart Attack at Streator Home

### HAD A NATIONAL REPUTATION

For Many Years He Was the General Counsel for the National Board

O. B. Ryon of Streator, Ill., for many years counsel for the laws committee of the National Board, died suddenly of a heart attack late Tuesday night at his home. He was at his office during the day but suffered an acute attack and was taken to his residence. Mr. Ryon maintained his interest in the Ryon Insurance Agency and practiced law, doing special work along insurance and other lines. He retired from the National Board active corps a few years ago but he was carried as consultant and his counsel was frequently sought. He was a practicing attorney at Streator in his early days and had a local agency there.

#### Attorney for Insurance Department

He became known to insurance men when he was appointed special attorney for the Illinois insurance department when Fred W. Potter was superintendent. In that office he became very useful. At the time of the famous senate insurance investigation Mr. Ryon was attorney for the committee and practically wrote the entire report. As counsel for the National Board he became nationally known for his work in that organization in legislative and departmental service. He bought into the National Board's legal staff I. H. Doyle, now general counsel; C. J. Doyle, associate general counsel of Springfield, Ill.; Ernest Palmer, now Illinois insurance director, and E. M. Griggs, who formerly lived at Streator, now assistant general counsel, located at Chicago.

#### Ryon Was 75 Years Old

Mr. Ryon had a host of friends. He always was square in his dealings. He belonged to the old school of Republican politicians. He was prominent in the Unitarian church. In later years he did considerable work for the Illinois insurance department in connection with companies that were in trouble. The funeral will be held Thursday afternoon at 2 o'clock in Streator. Mr. Ryon was 75 years of age July 22.

## Rockford Men to Entertain the Illinois Association

ROCKFORD, ILL., Oct. 18.—The Rockford Board of Fire, Casualty & Surety Underwriters is preparing for a large attendance at the annual meeting Nov. 7 of the Illinois Association of Insurance Agents. This happens to be the first time the Illinois association has ever met at Rockford and the agents aim to make it a big success. On the evening of Nov. 6 the local board will entertain the visitors at a stag party at the Hidden Inn, starting at 5 p. m. and lasting as long as necessary.

There are two popular companies with western departments at Rockford, the American and the Security, and it is hoped agents of those companies will take the opportunity to visit the western offices. There will be ample free parking space in the rear of the Nelson hotel where the meeting will be held. Rockford is a beautiful city of 100,000 population on the Rock river and is a center for splendid highways.

#### Western Loss Meeting

At the meeting of the Western Loss Association in Chicago this week John A. Shea of the Aetna, president of the organization, presided. The annual

meeting will be held Nov. 21. A nominating committee consisting of M. J. Looney, Hartford Fire; T. E. Heald, National of Hartford, and S. M. Nelson, North America, was appointed. J. A. McClellan of the Great American reported for the general automobile committee, representing the various organizations stating that the automobile situation is improving. From Oct. 1, towing charges will be \$4 a car and the storage 50 cents a day. This will result in considerable saving to the companies. It was reported that where local agents are adjusting windstorm losses for companies they frequently overlook the plate glass clause in the policy. It was pointed out that field men also are sometimes careless in this regard. It was suggested that proofs be carefully checked before they are finally given approval.

#### NRA Wants List of Brokers

NEW YORK, Oct. 18.—One of the demands of the NRA in connection with the special code submitted by brokers was that it be furnished with a list of the insurance brokers throughout the country arranged as to states. While the New York department supplied the material to the Insurance Brokers Association here promptly and without

suggestion of charge, the Missouri department declined to give the data until assured of its purpose, adding its preparation would require five days time and the cost to the association would be \$45. Preparation of a definite code for brokers to supplant the blanket code previously submitted may be effected soon.

#### Bunyan Joint Manager

John C. Bunyan, appointed acting manager of the Pacific department of California-Commercial Union-Ocean group last June, has now been appointed joint manager with J. C. Griffiths, Jr., of the Pacific department of these companies, according to an announcement made by F. W. Koeckert, United States manager of the Commercial Union, and Henry Collins, United States manager of the Ocean Accident.

#### Seeks Blanket Wind Cover

J. R. Stockton, Florida manager Home Owners Loan Corporation, has addressed fire companies inviting proposals for granting tornado coverage upon all properties in the state upon which the corporation grants loans. To date applications for loans number 6,831 totaling \$13,204,360.

## News from the Pacific Coast Territory

Vincent L. Gallagher, secretary America Fore, is in Portland for a meeting with A. L. Merritt, vice-president at San Francisco. They will make a joint inspection trip through Oregon and Washington.

\* \* \*

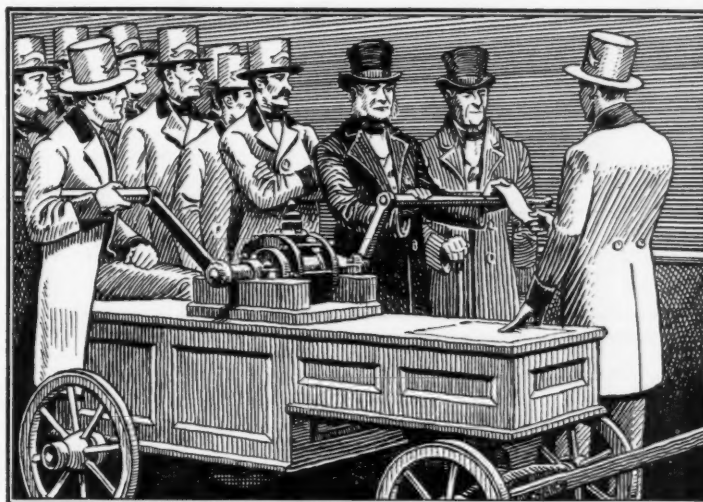
At the meeting of Seattle Blanket Club, young fire insurance men's organization, W. C. Crockett of the O. W. Crockett & Co. agency was elected president; Edward Byington, Northwestern Mutual Fire, was chosen vice-president; Harry Williams of the Jenner Insurance Agency, secretary, and James Lockett of Washington Insurance Examining Bureau, treasurer.

\* \* \*

R. P. Wallis, Spokane, local agent and member of the fire and accident prevention committee of Spokane chamber of commerce, addressed the Spokane local agents on program for fire and accident prevention week.

\* \* \*

Harry Egan, formerly with E. A. Strout & Co., now is associated with Armstrong general agency at Seattle. He has been connected with the insurance business since 1902 and is past most loyal gander of Seattle Blue Goose.



The "Darby Ram," typical of equipment used by early fire brigades and supported by the older fire insurance companies.

## "STIMULATING" DONATIONS

This old company has been cautious during all its ninety-two years. But it has been more than generous, too.

Early history records that many and generous were the Camden Fire's "stimulating" donations to worthy volunteer fire companies, but that improper claims were sternly resisted. So zealous were the directors, so earnestly did they mother their growing funds, that they bluntly ordered one unsatisfactory

application "thrown under the table," and the minutes record it in those words.

Today the great need of fire insurance companies is increased sales. So the Camden Fire donates to its selling force *stimulating* advertising. Every wide-awake Camden agent profits from it. Every Camden advertising piece is a careful sales argument. Each exists not to sell by itself, for that would be stupid and wasteful, but to *support* your effort. Would you like to see some specimens? Here's a coupon.

## CAMDEN FIRE INSURANCE ASSOCIATION CAMDEN, N. J.

Send me your portfolio, containing advertising pieces. Let's see how the Camden Fire helps its agents to *sell* insurance.

Name \_\_\_\_\_

Address \_\_\_\_\_

City & State \_\_\_\_\_

N-10



**Fire, Tornado, Automobile Insurance****THE LONDON & LANCASHIRE  
INSURANCE COMPANY, LTD.****ORIENT INSURANCE COMPANY****LAW UNION & ROCK  
INSURANCE COMPANY, LTD.****SAFEGUARD  
INSURANCE COMPANY****ENGLISH AMERICAN  
UNDERWRITERS AGENCY****STANDARD MARINE  
INSURANCE COMPANY, LTD. (Fire Dept.)****GILBERT KINGAN, Manager**  
Eastern Department  
20 Trinity St.  
Hartford, Connecticut**C. CLAUSSEN, Manager**  
Western Department  
223 W. Jackson Blvd.  
Chicago, Illinois**W. W. GILMORE, Manager**  
Pacific Department  
332 Pine St.  
San Francisco, Cal.*For Over Fifty Years Good Friends of Local Agents***MERCHANTS INSURANCE  
COMPANY**

Incorporated 1851

**31 CANAL STREET  
PROVIDENCE, RHODE ISLAND****Statement July 1, 1933****ASSETS**

Stocks and Bonds.....	\$2,663,896.55
Cash in Banks.....	143,259.74
Agents Balances Outstanding.....	257,498.00
Accrued Interest and Other Assets.....	86,781.19
	<b>\$3,151,435.48</b>

**LIABILITIES**

Reserve for Unearned Premiums.....	\$ 860,818.37
Losses in Course of Adjustment.....	104,505.00
Reserve for Taxes, Expenses, and all other Liabilities .....	269,185.62
Reserve for Contingencies.....	223,000.00
Capital Stock .....	\$1,000,000.00
Net Surplus beyond all Liabilities .....	693,926.49
Surplus to Policy Holders.....	1,693,926.49
	<b>\$3,151,435.48</b>

NOTE: Contingency Reserve fully adjusts as follows:-  
Bonds eligible are amortized, otherwise valued at Market.  
All stocks carried at actual Market Value.

Byron S. Watson, Chairman of The Board  
Emil G. Pieper, President  
Tunis Johnson, Vice-President  
Richard P. Ketcham, Vice-President  
Clifford E. Pieper, Secretary  
Jesse B. White, Secretary  
Benjamin M. Caruth, Secretary

*A strong running mate of the conservative Rhode Island  
Insurance Company***AGENTS' MEETING HARMONIOUS**

(CONTINUED FROM PAGE 1)

city was being referred to the executive committee of the National association, instead of pressing for some sort of action immediately; and by the announcement that the U. S. Guarantee had agreed to terminate an arrangement to which exception had been taken.

Then there was much sentiment in evidence. Presentation of a cup for having performed the most outstanding service to the National association was presented to H. E. McKelvey of Pittsburgh. Retiring President Charles L. Gandy was presented with a silver coffee service. Incoming President Allan I. Wolff and the new chairman of the executive committee, E. J. Cole, were escorted to the rostrum, as well as Miss Gladys Cole, Mrs. Gandy and Mrs. Wolff. Then there was a final feature, the singing of Auld Lang Syne, led by W. B. Calhoun of Milwaukee.

George W. Carter of Detroit has been designated as chairman of the special committee on compensation of the National association, although he has not yet officially accepted the appointment. This committee was created to take up with companies the general subject of compensation insurance. Mr. Carter, as chairman of the casualty conference committee, brought in a report to the National association, recommending among other things that commissions on this line be reduced to 15 percent. Instead of acting on those recommendations the convention authorized appointment of a compensation committee.

Although no announcement or mention was made of the Southern Trust Company of Nashville case, the report is that a harmonious adjustment will be reached. Members of the executive committee indicated that the companies involved exhibited a willingness to negotiate and discuss the question. The Tennessee agents object to the appointment of the Southern Trust Company of Nashville, which is a subsidiary of the Southern Trust Company of Louisville, as agent by the National Union, East & West, and Albany. The issue is whether the Southern Trust Company is in fact a financial institution within the meaning of the Richmond declaration.

show some more direct relationship at the start, between the buyer and the company. Putting premiums collected in a common pot, from which balances are paid for items, whether collected or not, along with agency expenses, is an injustice, he said. The premiums collected are really held in trust and the agent accepts the money on behalf of his company with the implied intention of making prompt remittance, less the commission. The fact that a company cannot cancel a policy for nonpayment, if the premium has been actually received by the agent, is an acknowledgment of this fiduciary trust.

**Favor Monthly Remittance**

The time has come, according to Mr. Root, to insist that all premiums collected, be remitted for less the agent's commission at the end of the month in which they are written. Uncollected items should be listed on a supplemental sheet, with the understanding that they will be collected and included in the account with all paid items for the subsequent month.

Policies not paid for at the end of the second month can be returned by the agent, unless he will advance the money out of his own funds or otherwise finance the premium.

Should an agent fail to remit or return policies at the end of the second month, they should be canceled direct by the company.

**Pacific Coast Notes**

**Frank Burns**, prominent reinsurance broker and general agent of Seattle, has been elected Republican national committeeman for the state.

**Ladies of the Washington (Spokane) Blue Goose** elected Mrs. A. S. Juniper, vice-president to fill the unexpired term of Mrs. W. H. Gascogne who moved to San Francisco. Mrs. Geo. J. McGaffigan was elected secretary-treasurer. Mrs. Mark Dearborn is president.

**INSURANCE STOCK  
QUOTATIONS**

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Oct. 17

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas. ....	10	1.60	42	44
Aetna Fire .....	10	1.60	30	32
Aetna Life .....	10	1.60	15	17
Amer. Alliance ..	10	1.00	13	15
American, N. J. .	2.50	.50	7 1/2	8 1/2
Amer. Surety ....	25	...	15	17
Automobile, Conn.	10	1.40	15 1/2	16 1/2
Boston .....	100	16.00	450	465
Carolina .....	10	1.00	13	15
City of N. Y. ....	100	7.50	133	138
Conn. General ..	10	.80	26	28
Continental Ins. .	5	2.50	25	27
Continental As. .	10	2.00	25	27
Continental Cas. .	5	1.20	22	24
Fidel. Phenix ..	2.50	1.20	23 1/2	24 1/2
Fireman's Fund .	5	3.00	47	49
Fireman's F. Ind.	10	...	22	25
Firemen's .....	5	...	4 1/2	5 1/2
Franklin Fire ..	5	1.00	16	17
Glens Falls ....	10	1.60	24	26
Great Amer. Ind.	1	...	14	16
Great American .	10	1.60	23	25
Hanover .....	10	1.50	15	17
Harmon .....	10	2.00	41	43
Hartford Fire ..	10	1.60	47	49
Hartford St. B. .	10	1.60	47	49
Home, N. Y. ....	5	1.00	17	18 1/2
Home F. & M. .	10	2.00	24 1/2	25 1/2
Ins. Co. of N. A.	10	2.00	39	42
Maryland Cas. .	2	...	1 1/2	1 1/2
Mass. Bonding .	25	...	11	14
National Cas. .	10	...	43	45
National Fire ..	10	2.00	43	45
National Liberty	2	1.0	4 1/2	5 1/2
National Union .	20	...	60	65
New Amst. Cas. .	5	1.20	11	13
New Brunswick .	10	.50	15	16
North River ....	2.50	.60	14 1/2	15 1/2
N. W. National .	25	.50	85	90
Occidental .....	10	...	15	18
Pacific Mutual ..	10	2.00	24 1/2	25
Phoenix, Conn. .	10	2.00	57	59
Prov. Wash. ....	25	4.50	80	83
Sprgfield, F. & M.	25	6.00	118	122
St. Paul F. & M.	25	4.50	370	390
Sun Life .....	100	...	380	395
Travelers .....	100	16.00	30	32
U. S. Fire .....	4	1.20	30	32
U. S. Fld. & G. .	2	...	2 1/2	3 1/2
Westchester ....	2.50	1.00	18	19

**COLLECTION IDEA**

A. C. Root of Clinton, Ia., chairman executive committee Iowa Association of Insurance Agents, submitted to the executive committee of the National Association of Insurance Agents during the Chicago convention, an adverse criticism of the automatic cancellation idea together with a suggestion of his own for reducing the collection problem.

Automatic cancellation would require years to accomplish because of legislation necessary in many states, he said. Conditions vary widely in different states. There are also different requirements for the different types of contracts. In Iowa cancellation of a fire policy for non-payment necessitates the filing of 30 days notice, with an accurate compilation of the earned premium. Under the automatic cancellation plan, there would be no responsibility upon the agent or company to watch credit for refusal of insurance to irresponsible persons. Agents, soliciting business, would urge prospects not to pay for other policies which would automatically terminate without the insuring company collecting for the time they were in force.

Mr. Root urges the making of a proper agreement at the time of the sale. He advocates departure from the account current system. After insurance is written, the relation is between the buyer and the company and in event of loss the adjustment is strictly between the company and the customer. Therefore, he states, the premium should



## NEWS OF FIELD MEN

### Nation Is Sent to St. Louis

**Will Handle Travelers Fire in Eastern Missouri and Southern Illinois Territory**

The Travelers Fire has appointed T. E. Nation special agent, with headquarters in the St. Louis branch office. He will have as his territory eastern Missouri and southern Illinois. Mr. Nation goes to the St. Louis office from Minneapolis, where he served the company for a number of years as an engineer.

### Haser Heads Illinois Club

Roy Haser of the Ohio Farmers was elected president of the Illinois field club of the Western Insurance Bureau at the annual meeting. Vice-president is John Hon, Firemen's, and secretary, Richard Mittlebuscher, Security of Iowa.

### Dorman to Minnesota

F. J. Dorman, Indiana special agent of the United States Fire, has been transferred to Minnesota and will make his headquarters in Minneapolis.

### Greer Is Colorado Welder

J. E. Greer, of the Fire Companies Adjustment Bureau, Denver, has been appointed temporary welder of Colorado

Blue Goose in the absence of Welder A. J. Dunn, who has been appointed branch manager for the Casper, Wyo., office of the Fire Companies Adjustment Bureau.

### Jensen to Supervise Kansas

J. S. Jensen, special agent of the Fire Association in Kansas, has been moved to Topeka, Kan., from Kansas City, Mo., and will now have charge of Kansas. He has been traveling the state under the supervision of W. O. Woodsmall, state agent, Kansas City, Mo., who also supervised Missouri.

### Farewell Party for Souders

Ohio field men gave a farewell dinner party for Virgil Souders, former state agent of the Fire Association in Cleveland. Mr. Souders was presented with several fine gifts including a gladstone bag, golf bag and zipper case. He left soon after to take up his new duties on the west coast.

### Kansas City Pond Meets

KANSAS CITY, MO., Oct. 18.—Fifty-five members of the Kansas City Blue Goose attended a meeting at which Landon Laird, dramatic critic of the Kansas City "Star," produced and introduced Carol Chappelle and Velma Maddock, entertainers. O. D. Cox was named chairman of the charity committee.

court in New Orleans. The report shows assets as of Jan. 6, the date of the receivership, to be \$176,743 and liabilities \$259,589. Unearned premiums are listed at \$131,288.

### Montgomery Hearing Nov. 20

Nov. 20 has been set for hearing the appeal of the Montgomery County, O., Mutual Fire from the action of the Ohio department, in which Don Thomas of Dayton was appointed receiver with instructions to either rehabilitate the company or liquidate it. The department's action was upheld by the common pleas court and appeal has been taken to the court of appeals. In the meantime, the company will transact no business.

### Effect of the NRA Seen

Insurance offices at Columbus, O., have added \$2,400 monthly to their payrolls since the NRA went into effect, according to F. A. Lichtenberg, who is chairman of the Columbus NRA insurance division. Mr. Lichtenberg is president of the Ohio Association of Life Underwriters.

Association Underwriters at Cleveland has been incorporated at Columbus, O., by B. C. Boer, L. I. Yoder and V. Worthington.

### Companies That May Write Malicious Mischief Coverage

J. J. Magrath, chief of the rating bureau of the New York department, has taken occasion, because of recent comment, to explain what companies, under the New York law, may write malicious mischief insurance. The only companies specifically authorized to write this coverage are casualty companies licensed to transact burglary business under subdivision 5 of section 70 of the New York law. Fire companies licensed under section 110 may insure the malicious mischief hazard only insofar as automobiles are concerned. Malicious mischief may be one of the coverages in a marine contract, but only insofar as such properties insured are eligible to coverage by marine companies.

The fire companies are not disposed to write such coverage anyway, although they have requests from time to time. Dispute and litigation are almost certain to follow a malicious mischief claim. Malicious mischief differs from riot and civil commotion in that malicious mischief is the action of one or more persons, who are not numerous enough to create a riot.

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### LEON A. WATSON HONORED

The dinner of the New York City Blue Goose, given in honor of Past Most Loyal Gander Leon A. Watson proved to be one of the most enjoyable held in a long time. Gander Watson is held in high esteem by the fraternity.

\* \* \*

### EXAMINERS INSPECT BREWERY

Approximately 35 members of the New York City Fire Insurance Examiners Association participated in the inspection of the Jacob Ruppert Brewery, in New York City, Oct. 11. The inspection party was divided into two groups and was shown throughout the entire plant, particular attention being called to the brew house, refrigeration, machinery and the cooperage shop. Upon completion of the tour the party was served a buffet luncheon through the courtesy of Colonel Ruppert.

\* \* \*

### SEE CHANGE FOR THE BETTER

While companies find it hard to point to tangible evidence of additional income since the NRA program became effective, and it is, they appreciate, too early yet to expect such result, they are yet sanguine that the long anticipated business revival will not be long delayed now. Various happenings revealing that the movement is stirring and holding promise of gaining momentum with passing time are cited. To illustrate: proprietors of several large storage warehouses in one of this city's most substantial suburbs, state goods that have been stored for months, are being called for, their owners now being in position to rent or buy apartments or dwellings. Families that through the distress years combined with one another as in securing quarters as an economy measure, are now in position to return to normal method of living and are doing so in ever increasing number. This condition will undoubtedly improve property values; first by finding tenants for hitherto vacant residences and apartments, and again by stimulating building operations. The latter have been virtu-

ally at a standstill for several years. From an underwriting standpoint both the moral and physical hazard of properties are improved through occupancy of homes hitherto vacant.

\* \* \*

### SNOW TO OPEN AN OFFICE

Oscar Snow has resigned as head of the inland marine department of the Northern of London and London & Scottish in order to establish an inland marine agency.

## COMPANY NEWS

### Capital Reduction of the Lincoln Fire Is Proposed

A special meeting of stockholders of the Lincoln Fire has been called for Nov. 15 to act on a proposal to reduce capital from \$1,000,000 to \$200,000, the difference to be transferred to surplus. The number of shares outstanding would be cut from 200,000 to 40,000 and the exchange of one new share for each five old shares.

At the time the Lincoln Fire of New York withdrew from Canada and reinsured all of its Canadian business, the company reinsured 50 percent of its remaining United States business. It has entered into a running contract with the Eagle, Star & British Dominions for automatic reinsurance of 50 percent of all business written subsequent to June 30, 1933. This reduces the Lincoln's premium reserve to about \$500,000.

Previously the Lincoln transferred to Corroon & Reynolds the business which had been reinsured in the Globe & Rutgers.

### Report on La Salle Fire

A deficit of \$82,845 in the funds of the La Salle Fire, which is in the hands of the receivers, is indicated in a statement of auditors filed in the civil district



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### Sticking to Sound Principles

UNITED STATES Manager E. C. STONE of the EMPLOYERS LIABILITY, writing in his own company's house organ, touches on a subject that is pertinent today because so many valuable lessons have been learned from the tragic era of the last few years. Some insurance executives apparently have felt to their ultimate grief that they could defy economic laws and the sound principles of underwriting that years' experience develop. Mr. STONE emphasizes the fact that a company must make a profit or ultimately it will bleed to death.

A few years ago companies were relying very much on their investments for their big profit. It turned out to be largely a paper profit although while the market was soaring the showing was very handsome. Then came the crash and there has been a frightful depreciation in securities. During the days of mounting prices of securities the underwriting department was eclipsed. Since the investment department has had such a set back company executives have realized that after all an insurance company should not overlook its underwriting department as that after all is its chief cornerstone and

foundation. Therefore, regardless of how the investment thermometer is working, whether it is up to summer heat or down toward freezing point and even below, the real test of success of a company is in its ability to make a profit on its underwriting. In this connection Mr. STONE said:

"To get an underwriting profit, an adequate premium is necessary. The rate must be adequate enough to pay losses and expenses and to leave a small margin for profit. If competition be so keen and ruinous as to bring it about that insurance companies do not charge and collect an adequate rate, it is but a question of time before the companies indulging in that practice fall by the wayside.

"We have seen conspicuous illustrations of this in the last two or three years. One needs only to look up the underwriting records of any one of the companies forced into liquidation to see how true it is that it is only a question of time before the accumulation of underwriting losses drives the company into liquidation bringing about distress to policyholders and much grief to agents."

### Are We Headed Toward Federal Control?

REGARDLESS of the opinion of insurance people and notwithstanding that many are refusing to note the signs in the heavens, there is a definite trend toward some form of federal regulation of insurance. This is coming by gradual steps and not by a single bound. That makes the movement all the more subtle and unnoticed. With the concentration of vast power in Washington, the tremendous machinery being built there, with all the roads leading to the seat of federal government, eventually insurance, in spite of itself, will be subjected to some form of regulation by the national hand. We should not shut our eyes to the possibility.

In our opinion the insurance business is losing an opportunity in not endeavoring to shape the trend which this regulation may take. We are letting things

slide, hoping for the best, resting on the U. S. Supreme court dictum in Paul vs. Virginia and hoping that out of the turmoil state sovereignty will be preserved at least as far as insurance supervision is concerned. The insurance people have the opportunity in watching the currents and lending a hand in steering the boat. Unless this is done we may wake up from a long sleep some day and find the federal government has gradually assumed much control over insurance administration.

Success comes only to those who can successfully cooperate. If one can work with the people about him, he has gone a long way toward getting ahead. The old idea that an employer had to be severe with his employees to make them work is exploded.

## PERSONAL SIDE OF BUSINESS

Holmes Meade, president of the Meade Investment Company, local agents of Topeka, Kan., and president of the Kansas Association of Insurance Agents, received a telephone request the other day from a woman who was anxious to get some insurance. He had an idea there must be a catch in it, as, indeed, there proved to be. She informed him that she and her husband were getting a divorce. She had read the "ads" that one could get anything insured and she wanted a policy that would make her former husband live up to an agreement of personal settlement which he had made with her. Mr. Meade took the matter up with the home office. An underwriter replied that it was asking a trifle too much of a company to request a guarantee that a husband who has lost his interest in his wife, and possibly has acquired an interest in other women, would carry out the terms.

W. W. Waters, special agent Ohio Farmers at Zanesville, Ohio, who recently underwent an operation for appendicitis at Good Samaritan Hospital in that city is now "able to sit up with his feet out of bed" and hopes soon to be able to resume his work.

W. P. Fishback, Lexington, Ky., former state agent in Kentucky for the Royal, and for about 15 years an independent adjuster at Lexington, died at his home there on Oct. 14. He was about 65 years of age, and had been in poor health for some time.

M. J. Straus, 61, senior member of Julius & Straus & Sons, Richmond, Va., local agency firm, died Oct. 15 following an illness of several months. His father, the late Julius Straus, founded the agency more than 50 years ago. Irving J. Straus, one of his surviving brothers, had been associated with him in the agency for many years since his father's death.

F. Sidney Holt, advertising manager of the Aetna Fire, has been appointed chairman of the publicity committee of the public information division of the Hartford Community Chest campaign.

Herman L. Ekern, former Wisconsin insurance commissioner and counsel for insurance companies, has returned from several weeks abroad with Mrs. Ekern and their daughter, Dorothy. They visited Mr. Ekern's birthplace at Biri, Norway, and the home district of Mrs. Ekern's parents at Sannjord, Norway. While in Norway, Mr. Ekern was presented to King Haakon.

Allen Kennedy of the Kennedy & Albers insurance agency, Fort Smith, Ark., has been appointed to the Arkansas highway audit commission.

George Aitken of the T. M. Linn agency of Zanesville, O., was responsible for reducing the fire loss ratio during fire prevention week. In making a call outside of Zanesville on Military Road, he drove slowly, not being certain as to the house of his prospect. He was scrutinizing all the houses carefully and noticed smoke issuing from the eaves of one dwelling. He rapped at the doors and getting no response, broke into the house, which was filled with smoke. With water from the kitchen water pipe he extinguished the fire, which had made good headway on the cellar stairs and partition.

Robert M. Morse, head of the licensing division of the Michigan insurance department, has the fascinating hobby of collecting covers (envelopes with stamps and postmarks), addressed to former public officials of Michigan. In his collection, he has letters to all of the Michigan governors, except Governor Pingree.

On these letters are some interesting postmarks. For instance, there is one from a town named Michigan, which is now Lansing. There is one from Prairie du Chien, Michigan territory. He has a letter sent in 1830 from Lansing to Detroit, bearing an 18 cent stamp, which was the standard postal rate. He has "covers" sent to all the Michigan insurance commissioners.

Mr. Morse has been connected with the Michigan department since 1929. He is a brother-in-law of Robert Bridge of Charlevoix, Mich., who is prominent in affairs of the Michigan Association of Insurance Agents.

Charles Hendry, general manager of the London & Lancashire Fire at its head office, is enroute to this side. He will visit the Canadian manager and then travel to Chicago to confer with the new western manager, Carl Claussen. From Chicago he will go to Hartford and New York and meet Manager Gilbert Kingan.

For the completion of 25 years' service as Paris, Ky., representative of the Continental B. B. Woodford, vice-president of the Bourbon-Agricultural Bank & Trust Co. will receive a "long service" gold watch fob.

Mrs. J. F. Miazza, Sr., wife of the president of the New Orleans Adjustment Company is dead. Besides her husband, she is survived by three daughters and five sons, who are associated with their father in the adjustment company.

One of the society events at Lincoln, Neb., was the marriage of Miss Jean Rathburn to Edward J. Faulkner. The bride is the daughter of M. C. Rathburn, manager of the insurance department of the First Trust Company at Lincoln. A reception at the country club followed the ceremony. Mr. Faulkner is finishing his work for his master's degree at the Wharton School of Finance, University of Pennsylvania.

A. L. Watson Jr., junior partner of Alexander Watson & Son agency of Detroit, died Oct. 12 following a brief illness. He was 42 years old. Mr. Watson was born and educated in Detroit. Eighteen years ago he joined his father in establishing the Watson agency.

The Burlington (N. J.) County Association, a mutual fire company, with headquarters at Medford, N. J., will celebrate its 110th anniversary Nov. 27.

J. M. Kralovec, Chicago local agent, will celebrate his fiftieth wedding anniversary Oct. 27. Mr. Kralovec's agency at 2011 Laflin street, far removed from the loop district of Chicago, is one of the old and thriving insurance offices of the city. Mr. Kralovec is a charter member of the Chicago Board and was head of the Chicago board of education under Mayor Busse. Mr. Kralovec celebrated his 75th birthday Oct. 13.

C. E. Long, president of the Hutchinson, Kan., Board, was in an automobile accident. It is reported that his injuries are not serious.

A. W. Neale of the Neale-Phypers Insurance Co., Cleveland, and a past president of the National Association of Insurance Agents, married Miss Maybell Chandler last week. Miss Chandler is the daughter of his first wife's half sister. Mr. Neale's first wife died several years ago. The groom is 70 years old.

R. M. Anwyll, 38, secretary of the Home Mutual of Iowa and president of the Mutual Service Bureau, Des Moines, died from a heart attack. He had been in ill health since last February. H. J. Rowe, president of the Home Mutual, is father-in-law of the deceased.



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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Agents, Company Men Confer

Group of 16 National Councillors Takes Up With W. U. A. Officials Several Phases of the Business

The conference of 16 national councillors of the National Association of Insurance Agents with a group of Western Underwriters Association members during the Chicago convention of the National association was a satisfactory occasion, according to the agency people who attended the meeting. The company officials on hand were C. R. Tuttle, North America; G. H. Bell, National of Hartford; J. C. Harding, Springfield F. & M., and E. A. Henne, America Fore.

The agents brought up a number of points in which they were interested, and the company spokesmen displayed a friendly attitude saying that none of the proposals was unreasonable.

The company men were told that the majority sentiment in agency circles is opposed to the comprehensive household policy. Some changes in the use and occupancy policy were requested and the practice of deferring loss payments 60 days was criticized. The idea of having a policy to cover smudge damage from all sorts of heaters and not merely from oil burning heaters, was advanced.

Many of the points were those which had been advanced by George W. Carter of Detroit.

One of the objections entered was against the direct contacting of assureds by inspection bureaus, particularly in the matter of improvements. Some of the company people who sympathize with this objection, say that friction might be avoided if the bureau would send a copy of the letter to the agent 24 hours before it goes to the assured.

### Defense Forces Undermanned

Some Features in the Fire Fighting Facilities Are Pointed Out by National Board

The National Board in reporting on Racine, Wis., says that the water supply works are adequate and reliable. There are good quantities for fire protection available in most districts. The fire department is undermanned and under equipped. The fire alarm system is inadequate and unreliable.

The engineers say that in the principal mercantile district, construction lacking in fire-resistive features and deficiencies in the fire-fighting facilities make serious group fires probable. However, on account of the prevailing low heights of buildings, the fairly good width of the principal street and an open square, a fire should not involve any considerable portion of the district. In the manufacturing districts, most of the buildings are sprinklered and only small group fires are probable. In the minor mercantile districts, the hazard is local.

### Ralph Hukill Is Speaker

R. W. Hukill, special agent of the Fireman's Fund in Ohio spoke before the Kiwanis Club of Milford, O., under the auspices of the Ohio Fire Prevention Association. His subject was "Insurance in the Community." He explained what insurance means to a community in the matter of credit and also how individuals help to keep down the loss rate. Method followed by the bureau in rating a given building was explained.

### Standard Form Ready Soon

Commissioner Mortensen of Wisconsin Says Form Mandatory After Jan. 1, 1935, to Be Distributed Shortly

MADISON, WIS., Oct. 18.—Wisconsin's new standard fire policy form will be available for distribution within a short time, Commissioner Mortensen announces. Under a bill which saw last minute passage by the 1933 legislature the new policy form was evolved and becomes a part of the statutes. The new policy is not mandatory until Jan. 1, 1935, but all adjustments after Sept. 1, 1933, shall be made according to the statutes.

#### Appraisal Section Interesting

The section of the policy relating to appraisals is interesting, since it is perhaps the most important change from the old policy. It provides:

"In case the insured and this company shall fail to agree as to the amount of loss or damage, each shall, on the written demand of either, and within ten days after such demand, select a competent and disinterested appraiser. The appraisers shall first select a competent and disinterested umpire; and failing for 15 days to agree upon such umpire then, on request of the insured or this company, such umpire shall be selected by a judge of the circuit court of the county in which the property was at time of fire. The appraisers shall then appraise the loss and damage, stating separately sound value and loss or damage to each item; and failing to agree, shall submit their differences only to the umpire. An award in writing, so itemized, of any two when filed with this company shall determine the amount of sound value and loss or damage. Each appraiser shall be paid by the party selecting him and the ex-

penses of appraisal and umpire shall be paid by the parties equally."

Another change of interest is contained in the first provision of the policy adding the words "with intent to deceive." This provision reads: "This entire policy shall be void if the insured has with intent to deceive concealed or misrepresented any material fact or circumstances concerning this insurance or the subject thereof; or if the matter misrepresented increased the risk or contributed to any loss; or in case of any fraud or false swearing by the insured touching any matter relating to this insurance or the subject thereof, whether before or after a loss."

### Fire Fighting Facilities of Urbana and Champaign

The National Board in reporting on the college towns of Champaign and Urbana, Ill., say that the water supply works are somewhat inadequate with unreliable features. The quantities available for fire protection are insufficient in most districts to both cities. The fire department is seriously undermanned and Urbana is deficient in equipment. There is no fire alarm telegraph system.

In the principal mercantile districts of both cities, severe group fires are probably due to ordinary construction and inadequate fire-fighting facilities. Due to low heights, good accessibility and fair street widths, fires involving considerable portions of these districts are not probable. In the minor mercantile and university districts, only group fires are probable.

### Mexico's Record Broken

The city of Mexico, Mo., which is known to insurance companies as never, in many years, having produced a case, the verdict on which was favorable to the companies, has just broken that record. The circuit court of that city, in Sam Miller vs. Great American, rendered a decision for the insurer. This was the second trial. A verdict on the

first trial was rendered in favor of Miller for \$1,600. The case was reversed by the St. Louis court of appeals and the favorable verdict resulted from the second trial. Attorneys for the company were C. L. Ristine and Harry Thomas of Kansas City, Senator Frank Hollingsworth and Judge C. A. Barnes of Mexico.

### Gets Out New England Directory

The Standard Publishing Company, 141 Milk street, Boston, has gotten out the 1933 edition of the insurance directory of New England, giving a complete list of insurance people in all the New England states together with the companies operating therein and with full information regarding insurance organization.

### Davis with Western Adjustment

C. F. Davis, staff adjuster of the North British & Mercantile group, Chicago, has joined the Western Adjustment to take charge of automobile and inland marine adjustments at the Minneapolis branch.

Mr. Davis has been in adjustment work practically his entire business career. For some years he was claim adjuster for the Memphis Street Railway and Missouri Pacific Railroad. He later operated his own adjustment office in Chicago, and for the past year and a half has been automobile staff adjuster for the North British & Mercantile group there.

### Madison Insurance Day Held

Insurance agents of Madison, Ind., entertained nearly 50 company representatives at Madison Insurance Day. The meeting was such a success that the agents plan to make it an annual event. A feature was a moonlight excursion on the Ohio river.

### Confer on Farm Merit Rating

MADISON, WIS., Oct. 18.—Further discussion of merit rating for farm risks will be held in a conference scheduled between members of the Farm Association and officials of the Wisconsin insurance department this week.

### Lieber on Mutual Issue

Through an inadvertence, a picture of George J. Lieber, Michigan manager for the Fidelity & Casualty, appeared in last week's issue, with a caption indicating that he had delivered an address before the Michigan Association of Insurance Agents, defending the branch office system. Such an address was delivered by John F. Horton, Detroit manager for the Aetna Casualty & Surety. Mr. Lieber, who is a past president of the Michigan Association of Insurance Agents, spoke at the convention on mutual and reciprocal competition.

### To Cancel Non-Board Cover

After expressing the opinion that city insurance carried with agents, not members of the local exchange, should be canceled, the city council of Albert Lea, Minn., referred the matter to the city manager. Discussion brought out that policies were carried with some agents who had dropped out of the exchange.

### Recommendations for Omaha

OMAHA, Oct. 18.—Omaha councilmen and members of the chamber of commerce were told by Percy Bugbee, assistant executive secretary National Fire Protection Association, that as a result of the serious and costly fires of last winter Omaha has a low rating, and a raise in rates will follow if the fire department is not improved in efficiency.

## Kansas Meeting Speakers



W. E. HARRINGTON, Atlanta, Ga.



FRANK T. PRIEST, Wichita, Kan.

At the meeting of the Kansas Association of Insurance Agents in Hutchinson this week, W. E. Harrington of Atlanta, former president of the National Association of Insurance Agents, will represent that body. He is one of the popular men in the ranks, who gave the organization a forceful administration.

Frank T. Priest of Wichita, one of the big men in the Kansas association, will give his report as national counselor. Frank Priest was formerly a member of the executive committee of the National association and is one of the best known men in that organization as well as in his own state organization.



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and if the personnel is reduced as is now threatened because of lack of money. Mr. Bugbee made five recommendations: (1) That an accurate check be made of all fire losses with particular study given major fires, their causes and methods of handling; (2) a city ordinance requiring fire-resistant roofs; (3) continual cleanup of vacant premises to avoid brush and grass fires; (4) an officers college, to meet weekly and to be taught by senior officers; (5) a 52-week annual educational campaign along fire prevention lines.

#### Alexander Is Office Manager

DETROIT, Oct. 18.—R. Z. Alexander, Detroit manager American Automobile, has appointed C. M. Carberry office manager of the branch. Mr. Carberry has been associated with G. J. Gnau for 14 years, first with the Detroit Insurance Agency, later with Gnau & Company.

#### Gibbs Elected President

COLUMBUS, WIS., Oct. 18.—A. C. Gibbs of this city was elected president of the Dodge County Association of Insurance Agents at the annual meeting here. He succeeds Ernst Neitzel of Horicon. Other new officers elected are C. J. Keller, Beaver Dam, vice-president; and George Stoddard, Waupun, secretary-treasurer. Directors are Past-President Neitzel and W. R. Stoddard, Beaver Dam. At the meeting Mr. Neitzel conducted a round table discussion of many questions pertinent to underwriting problems and in which members of the association participated. Ralph Hawks, Horicon, chairman of the safety committee, reported that the committee was devoting its attention to fire prevention work and had cooperated with National Fire Prevention Week. This work is being centered in a number of rural schools where pupils have been given home fire inspection blanks to fill out to call attention to fire hazards, following which advice is being given on how to eliminate such hazards.

#### Revamp Saginaw Coverage

SAGINAW, MICH., Oct. 18.—A special committee of the county board has surveyed the county's insurance and asserts that the method of placing insurance in the past has been entirely lacking in system and has resulted in inadequate coverage at excessive cost. The committee states that a survey and appraisal shows \$449,780 fire coverage at a premium of more than \$11,500 annually and claims it is possible to obtain \$880,850 coverage for \$10,000. The larger coverage is needed, it is claimed, and a rearrangement of coverage to this end is being accomplished as rapidly as possible. The committee, which was given power to act, has ordered cancellation of about a half-dozen policies, and will recommend to the board that county employees' bonds be reduced 50 percent as of Jan. 1. The county has been in-

### Reelected



A. L. McCORMACK  
St. Louis

A. L. McCormack, who served last year as president of the Missouri Association of Insurance Agents, was reelected at its annual meeting held in Chicago last week.

sureing its automobiles for personal liability and property damage but the coverage was ordered canceled on the ground that the county is not liable for accidents to vehicles in the government service.

#### Ohio Department May Move

COLUMBUS, O., Oct. 18.—The Ohio insurance department again is threatened with removal from its offices in the state house annex at Columbus. Demands of the state treasurer for more space have caused certain state officials to turn envious eyes toward the insurance department, and among the plans proposed is one to have the insurance department abandon several rooms which it recently took over and move the force domiciled there in with the other branches of the department or else seek a new abode in the monkey's nest, as the state house annex attic is called. The plan eventually is to remove the department to the new state office building on the river front, which is already crowded to its doors.

#### O'Malley Confers on Rates

While he was in Chicago last week to attend the gatherings of the American Life Convention and the National Association of Insurance Agents, Superintendent R. E. O'Malley of Missouri attended a conference with two prominent

western department officials at which the Missouri fire insurance rate litigation was discussed.

At the annual meeting of the Missouri Association of Insurance Agents in Chicago, Superintendent O'Malley said he would accept the counsel of the leading insurance men of the state before deciding what procedure his department would adopt in dealing with the rate litigation. He pointed out that the agents in the state have suffered more than any other interest through the long-drawn-out legal battling. The association adopted a resolution endorsing Mr. O'Malley's administration.

#### Davis Candidate for Mayor

CLEVELAND, Oct. 18.—H. L. Davis of the H. L. Davis Co., insurance agency, and formerly connected with the Davis & Farley Co., is one of the two candidates for mayor of Cleveland.

#### Agent-Loan Secretaries Opposed

MILWAUKEE, Oct. 18.—Secretaries of building and loan associations who are also fire insurance agents and who receive the commissions on premiums collected for policies issued on properties of borrowing members of associations, were denounced in a heated argument at hearings held in Milwaukee by the state legislative interim committee investigating the building and loan situation in Wisconsin. Four hearings held were largely attended by stockholders as well as officers of associations. Some secretaries, it was charged by stockhold-

ers, have a greater income from their fire insurance agency sideline than from their salaries as association secretaries. It was contended that since the secretaries were employees of the building and loan associations the fire insurance commissions should be earnings of the association and really belong to the stockholders. The committee will also conduct investigations in other parts of the state and is to make a report to the next legislative session.

#### Coldiron to Norton, Kan.

J. C. Coldiron of the Topeka, Kan., office of the Western Adjustment has been transferred to Norton, Kan., to succeed Paul Phillips, who was recently moved to the Kansas City, Mo., office.

### MIDDLE WEST NOTES

The Guaranty Agency, Indianapolis, has been incorporated by T. W. Rodabaugh, C. G. Quinn, A. C. Enderlin, Sr., and others.

At the October meeting of the St. Louis Cats Meow this week plans for the annual fall party will be discussed.

William Hocker, Kansas City adjuster, has joined the Barber & Tadlock Adjusting Company, Kansas City, Mo.

Frank E. Chartier, 23-year-old son of Ray E. Chartier, local agent at Wausau, Wis., died Oct. 17.

W. P. Kelley, 70 years old, resident of South Bend, Ind., since 1884, and associated with the Kelley, Lederer & Ginz agency, died at his home following a six months' illness of dropsy. At one time he was a city councilman.

### IN THE SOUTHERN STATES

#### Institute Course Announced

Large List of Speakers for New Orleans Second Year Fire Course Conducted by Blue Goose

NEW ORLEANS, Oct. 18.—The New Orleans branch of the Insurance Institute of America has announced lecturers for the second year fire insurance course, 1933-34 term, which is conducted under the auspices of the Louisiana pond Blue Goose. The speakers are:

A. G. Whitelaw, general adjuster Commercial Union group; A. A. Moreno, New Orleans attorney; E. P. Deutsch, New Orleans attorney; R. H. Colcock, Jr., manager New Orleans branch Liverpool & London & Globe; J. F. Miazza, Sr., president, New Orleans Adjustment Company; Edward Bourne, manager Fire Companies Adjustment Bureau; R. P. Strong, manager, and W. J. Gayle, chief rater, Louisiana Rating & Fire Prevention Bureau; S. L. Webb, state agent Fidelity & Guaranty Fire; Kingston Pickford, special agent Globe &

Rutgers; C. P. Holmes, professor, Northwestern University; W. S. Foster, associate manager North America, Chicago; Lloyd Wheeler, manager Mississippi Rating Bureau; W. P. D. Bush, special agent Hartford Fire; C. R. Hebble, editor, F. C. & S. Bulletins.

#### Cotton, Tobacco Better Risks

Higher Market Prices Prevailing This Year Are Expected to Reduce Moral Hazard

NEW YORK, Oct. 18.—According to government estimates, the cotton crop of the south this year will not be materially less than that of 1932 despite the heavy acreage ploughed under in response to the appeal of the Secretary of Agriculture. The present crop, moreover, is said to be of excellent quality and will command a better price than 12 months ago. This should result in lessened moral hazard.

So far as insurance is concerned coverage of cotton is written almost wholly through the medium of the Cotton In-

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insurance Association, the Cotton Fire & Marine Underwriters and the marine companies, very little of the coverage going directly to fire offices.

Tobacco, one of the other important staples of the south, like cotton, promises a fine yield this season, with better prices ruling than a short while ago. Indemnity on this line is written almost wholly in stock fire companies, and very largely through local agents or agent-brokers in various centers.

#### Highly Desirable Risk

The warehouses now to be found throughout the tobacco growing districts generally are of superior construction, making tobacco from a fire insurance standpoint a highly desirable classification, and one eagerly competed for by all companies.

With a brighter outlook for both cotton and tobacco, money should circulate more freely throughout the south from now on than for the last two years, and as a consequence underwriters anticipate improved balance collections, in the development of which the collection rule adopted by the Southeastern Underwriters Association some months ago is aiding considerably.

#### Donham Is Acting President

Arkansas Association of Insurance Agents Without Chief Executive or Second Line Official

The Arkansas Association of Insurance Agents lost its president, Victor S. Pearson of Little Rock, by death and its vice-president, Wainwright Martin of Texarkana, by reason of his selling his agency and retiring from the insurance business. The executive committee has asked J. R. Donham of Little Rock to become acting president until a meeting can be called and a new president elected. Mr. Donham was a partner of the late President Pearson. L. R. Martin of Pocahontas, executive secretary, looks after the details of the organization.

#### Moore With Texas Agency

SAN ANTONIO, TEX., Oct. 18.—B. C. Moore, special agent for ten years of Trezevant & Cochran, general agents of Dallas, is now special agent of the Texas General Agency of San Antonio for the Panhandle and west Texas, with headquarters at Amarillo.

#### Insurance in Pensacola Fire

PENSACOLA, FLA., Oct. 18.—Insurance upon the plant of the Weis, Patterson Lumber Co., destroyed by fire here some days ago, is about equally divided between stock and mutual companies, the former being interested to the extent of \$425,000 and the mutuals having \$450,000. Settlement of the loss, in so far as the stock offices are concerned, will be handled by the Fire Companies Adjustment Bureau, through its branch in this city, of which J. W.

LaMar is manager. In addition to the loss of the lumber plant nearly 100 dwellings were destroyed, in what was one of the most destructive fires in the history of Pensacola.

#### Cousins and Mauk Talk

FORT WORTH, TEX., Oct. 18.—Raymond S. Mauk, state fire commissioner, with R. B. Cousins, secretary Texas Fire Prevention Association, spoke in connection with Fort Worth's Fire Prevention Week program. Mr. Cousins addressed the October meeting of the Fort Worth Insurance Underwriters Association and explained the workings of the stamping bureau, which is in use in every state except five. If the bureau is established in Texas more than 85 percent of the stock companies will be members.

Mr. Mauk declared that fire losses in Fort Worth had been reduced 30 to 40 percent as compared to a year ago and Fort Worth's record is better than the state's as a whole.

#### Coleman Reports Gain

SAN ANTONIO, TEX., Oct. 18.—Coleman & Company, general agents, report a net increase in premiums of 20 percent for the first nine months of 1933. The company's annual picnic was held at New Braunfels with 150 present.

#### Large Line Is Awarded

NEW ORLEANS, Oct. 18.—The \$572,000 fire insurance on the Charity Hospital of this city was given to the Allen Mehle Company Agency of this city, which quoted a rate of 25 cents for three years. One line for \$286,000 expiring Sept. 15 was written in the American Equitable of New York. A like amount expired Oct. 15, but a policy covering this has not yet been delivered. The rate quoted by the Mehle agency is considerably below the advisory rate published by the Louisiana Rating & Fire Prevention Bureau. The next lowest bidder was the Hartwig Moss Insurance Agency.

#### Reciprocity Campaign Survey

OKLAHOMA CITY, Oct. 18.—The Associated Fire & Casualty Underwriters has surveyed the purchasing power of stock insurance agents in Oklahoma City in connection with a reciprocity campaign. The 1,617 stock insurance agents have an aggregate purchasing power of \$1,662,000 a year.

#### Southern Notes

Tauber-Herzog & Co. has been merged with the Green-Keys agency in Miami, Fla.

F. G. Tupper of New Orleans, general agent operating Louisiana and Mississippi for several agency companies, has moved his office from the Canal building to 423 Carondelet street.

According to advices received from Birmingham, Ala., R. C. Maley, adjuster for the Bankers Fire & Marine of Birmingham, was drowned in Lake Burton near Tallulah Falls, Ga., when a motor boat capsized.

discussion of various problems. At later meetings, the next being scheduled for Nov. 1, there may be speakers.

Officials of the exchange are in favor of the idea and stress their desire to cooperate.

The Brokers Exchange is also planning to cooperate more closely with the California Association of Insurance Agents and for this purpose, at a meeting of the board of governors, authorized the sending of several exchange members to the annual convention of the agents' association in Pasadena next month. It is expected that following the convention a committee will be appointed to cooperate with a committee of the agents' group, and possibly to

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#### ASSETS

Mortgage Loans .....	\$ 103,950.00
*Bonds and Stocks .....	7,613,319.35
Premiums in Course of Collection....	758,792.20
Reinsurance Recoverable on Paid Losses	41,108.73
Interest Accrued .....	34,380.00
Cash in Banks .....	623,070.13
Other Assets .....	1,016.76
	<b>\$9,175,637.17</b>

#### LIABILITIES

Unearned Premium Reserve.....	\$3,730,434.92
Unadjusted Losses .....	326,500.00
Reserve for Taxes and Other Claims..	150,000.00
†Contingency Reserve .....	<b>1,161,485.35</b>
Capital Stock .....	<b>\$1,000,000.00</b>
Net Surplus .....	<b>2,807,216.90</b>
	<b>\$9,175,637.17</b>

\*Valuations on basis approved by National Convention of Insurance Commissioners.

†The Contingency Reserve represents the difference between the market quotations as of June 30, 1933, and the values of bonds and stocks carried in assets.



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## PACIFIC COAST AND MOUNTAIN

#### Managers Club Is Approved

New Organization in San Francisco Hailed as Medium for Cooperation With Brokers, Agents

SAN FRANCISCO, Oct. 18.—Development of an entente cordiale between city managers of fire companies in San Francisco and the San Francisco Insurance Brokers Exchange is seen in organization of the City Managers' club of San Francisco. According to M. C. Godfrey, assistant manager Norwich Union, president of the club, it is planned to confine a few meetings to round-table

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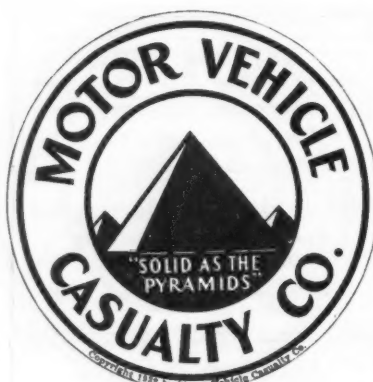
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Inquiries from responsible  
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A STOCK AUTOMOBILE COMPANY

Under same management for the past 18  
years. Organized in 1914 as Motor Vehicle  
Underwriters. Organized as Motor Vehicle  
Casualty Company in 1930.

serve as the contact committee with the  
City Managers' club.

Those who will represent the ex-  
change at the California association  
convention include: Milton Meyer, presi-  
dent; J. B. Hauer, chairman conference  
and public relations committees, and  
Arthur Dahl, secretary.

#### Mitchell to Los Angeles

LOS ANGELES, Oct. 18.—R. A. Mit-  
chell has been transferred from the San  
Francisco office of the North America  
to the Los Angeles branch succeeding  
G. R. Harrison, who recently resigned  
on account of ill health and has returned  
to his old home in Maryland to rest and  
recuperate. For several years Mr. Mit-  
chell has been associate marine manager  
at San Francisco and has taken an active  
part in the work of the Marine Under-  
writers' Association.

#### Insurance Courses in Seattle

SEATTLE, WASH., Oct. 18.—Insur-  
ance classes began here this week under  
the auspices of the Insurance Society of  
Washington. Dennis Gulliford, General,  
will teach the fire courses; Ben Sturges,  
General, the casualty class; and Kenneth  
Smith, Sun Life, the life.

#### Pillet on Coast Visit

LOS ANGELES, Oct. 18.—A. F.  
Pillet, president of the Republic of Dal-  
las, is visiting the Pacific Coast depart-  
ment of his company here, which is in  
charge of Vice President Hugh L.  
Gaffney.

#### Bousquet with Dinsmore

LOS ANGELES, Oct. 18.—E. G.  
Bousquet has been appointed special

agent at Los Angeles for the southern  
California agency of H. M. Dinsmore,  
under S. K. Williams, manager. Mr.  
Bousquet was formerly with Spear &  
Co., at Los Angeles.

#### Pacific Board Meets Nov. 9

The semi-annual meeting of the Pacific  
Board will be held at Del Monte, Cal.  
on Nov. 9.

#### Manhattan Names Brock & Pierce

SEATTLE, WASH., Oct. 18.—Brock  
& Pierce have been appointed general  
agents by the Manhattan Fire & Mar-  
ine Co. for Washington.

#### Coast Notes

The California Blue Goose held an  
outing at the Hollywood Country Club  
last week.

L. L. Brown, southern California man-  
ager for the National Automobile Club,  
has been married to Miss Katherine  
Hicks of Los Angeles.

L. S. Leavy, comptroller of San Fran-  
cisco, spoke to the **San Francisco Blue  
Goose** on "San Francisco's Position  
Among Cities of the United States."

C. A. Teasdale, president of California  
Agencies, Inc., has returned to San  
Francisco from a visit at the home  
offices of the Continental Casualty in  
Chicago.

The Fire Prevention Week display of  
the **Fireman's Fund** was adjudged the  
best in the insurance group in the con-  
test staged by the San Francisco junior  
chamber of commerce, with the display  
of the **Hartford Fire** named as "runner-  
up."

Robert Kellahin and Robert Bonney,  
former newspaper man, both of Roswell,  
N. M., have established the **Kellahin &  
Bonney** agency there. Mr. Kellahin was  
with the Chaves County Abstract & In-  
surance Co. for years.

## MOTOR INSURANCE NEWS

### Automobile Theft Case Up

Vermont Supreme Court Passes on the  
Issue Whether Owner Has  
Parted Possession

The Vermont supreme court in Allen  
vs. Berkshire Mutual Fire covers an in-  
teresting case involving theft of an  
automobile. The theft policy does not  
cover a loss suffered by the assured if  
he voluntarily parts with title to or pos-  
session of the machine or if it is stored in  
any building not securely enclosed and  
locked when unattended. Allen al-  
lowed Smith, a prospective purchaser,  
to take the automobile on trial. Two  
weeks later he told Smith that the auto-  
mobile must either be paid for or re-  
turned. Smith thereupon delivered the  
transmission keys to the owner who  
proposed to take the car at once. Smith,  
however, said that he would drive the  
car to Allen's garage the following  
Monday. It was arranged that it should  
be left with Smith until that day. Smith,  
however, decamped with the auto-  
mobile, which was found some time  
later in Denver. While it was on  
Smith's premises, it was kept in an un-  
locked garage.

#### Only a Naked Bailee

The Vermont supreme court holds  
that Smith's status as prospective pur-  
chaser came to an end when, after de-  
manding the purchase price for the  
automobile, the owner took back the  
transmission keys. The court says that  
thereafter Smith was merely a naked  
bailee, and as such, had only the bare  
custody of the car for a limited time  
and special purpose. He had no right  
otherwise to use it than to drive it to  
the owner's premises. The owner, the  
court said, had constructive possession  
of the automobile at the time of the  
loss. The company argues that "theft"  
means larceny and that since the taking  
was by a bailee there was no larceny

because the bailee's possession was law-  
fully obtained and his felonious intent  
was formed after the delivery to him.  
The court said that the word is to be  
given the meaning attributed to it in  
common use. The act of Smith was a  
theft of the automobile within the  
meaning of the policy, according to the  
decision. Judgment for the company  
was therefore reversed.

#### Citizens Mutual Meetings

HOWELL, MICH., Oct. 18.—Four  
regional agency meetings have been held  
by the Citizens Mutual Automobile. The  
first was held in Grand Rapids with 75  
agents present, the others being in De-  
troit, Battle Creek and Bay City.

G. J. Burke, president, emphasized  
progress made in increasing volume; W.  
E. Robb, secretary, reported August and  
September as the two best months in  
the company's history. Berthold Wood-  
hams discussed the financial responsi-  
bility law. E. F. Vickers and J. V.  
Brady talked on sales promotion and  
L. G. Allen on collections.

#### Predicts Rate Cut

Secretary of State Hughes of Illinois  
has issued a statement, which was widely  
published, predicting that automobile  
theft rates in Illinois will be reduced 25  
percent when the new certificate of title  
anti-theft law becomes effective in that  
state Jan. 1. His prediction seemed to  
carry something of a threat that the  
state would bring pressure to bear to  
cause a reduction if the companies did  
not voluntarily decrease the rate.

#### Temporary Approval Given

RICHMOND, VA., Oct. 18.—Tem-  
porary approval of proposed changes in  
rules for rating automobile fleets filed  
by the National Automobile Underwrit-  
ers Association has been given by the  
Virginia state corporation commission.

## Eastern States Activities

### Library Association Meets

Membership of Boston Institution Is  
315—During Year 15,820 Persons  
Went to Library

BOSTON, Oct. 18.—The 45th annual  
meeting of the Insurance Library As-  
sociation of Boston was held here. Trus-  
tees elected to serve three years are: E.  
Winchester, vice-president Boston; Ken-  
neth Erskine, local manager Liverpool,  
London & Globe; L. R. Welch, Fitch-  
burg Mutual Fire; E. C. Stone, United  
States manager Employers' group. F. C.  
Church, Jr., of Boit, Dalton, Church &  
Hamilton was elected for two years to  
fill the unexpired term of A. W. Burke,  
deceased. D. N. Handy, was reelected  
clerk-treasurer. Membership Sept. 30,  
the end of the fiscal year, was 315 as  
compared with 332 at the close of the  
fiscal year preceding. It was reported  
that 15,820 persons went to the library  
during the year as against 14,536 the  
year preceding.

#### First Prize to Shurts

The first prize of \$50 awarded to the  
student in the association's evening  
classes in fire insurance completing the  
three years' course with highest average  
marks, and second prize of \$25, for cur-  
rent year's work, went to A. V. Shurts  
of New London, Conn., former clerk in  
the eastern department of the Fireman's  
Fund in Boston. These awards are part  
of an award of \$100 made each year by  
the Boston to students taking the insti-  
tute examinations in the library associa-  
tion classes. Third prize was awarded  
to C. H. Taylor of Watertown, a former  
student of the Massachusetts Institute  
of Technology. Fourth, fifth and sixth  
prizes were awarded respectively to J. R.  
Page, Fireman's Fund, eastern depart-  
ment; C. R. Hayes, of Jordon, Lovett  
& Co., Boston, and G. M. Andrew,  
Fitchburg, Mutual, Fitchburg, Mass.

### Wolff Is New Hampshire Speaker

BOSTON, Oct. 18.—The annual  
meeting of the New Hampshire Associa-  
tion of Insurance Agents will be held  
Oct. 25 in Manchester, N. H. There  
will be a business meeting in the after-  
noon and banquet at night. The prin-  
cipal speaker will be Allan I. Wolff,  
president National Association of Insur-  
ance Agents.

### Report on Council Bluffs, Ia.

National Board Engineers Tell About  
the Fire Defense Factors  
of the City

The National Board engineers in re-  
porting on Council Bluffs, Ia., find that  
the water supply is adequate and thor-  
oughly reliable. There are good quan-  
tities for engine supply available in most  
important districts.

The fire department is only fairly ef-  
fective, it is under equipped and seri-  
ously undermanned. The fire alarm  
system is inadequate with several fea-  
tures of unreliability.

In the principal mercantile district  
grouped inferior construction, mutual  
exposures and lack of window protec-  
tion make severe group fires likely, but  
the good water supply and outside aid  
should prevent fires from involving any  
considerable portion of the district, in  
the opinion of the engineers. Severe  
local fires are probable in the warehouse  
and industrial sections.

A new book, "Freeman's Earthquake  
Damage & Earthquake Insurance" is  
sold by The National Underwriter, cost-  
ing \$7.



## Late News from the Casualty Field

### Pacific Indemnity Approved

Examination by Three State Departments Completed—Surplus to Policyholders \$2,517,783—Sound Position

LOS ANGELES, Oct. 18.—On completion of the convention examination of the Pacific Indemnity of Los Angeles, Lawrence Rouble, California, supervising examiner; J. Y. Richardson, Oregon, special examiner and F. E. Huston, Washington actuary, have certified that the company is unquestionably solvent with "unimpaired capacity to discharge all contractual obligations, soundness of position with respect to liquidity of assets, adequacy of reserves, favorable loss ratios and manner of claim settlement."

"Notwithstanding a rather disastrous experience with carriers who utterly failed to perform under reinsurance treaties and a consequent obligation to absorb a loss in an amount of \$1,064,000, the institution is in a position, due to careful underwriting and conservative management, to render insurance service of the highest type backed by an aggregate capital and surplus in excess of \$2,500,000," the report said. "It is significant that the Pacific Indemnity values its portfolio of securities at the actual market value as of June 30, last, and that the capital and surplus reported, therefore, truly represent the excess of assets over liabilities."

Surplus to policyholders as determined by the examiners was \$2,517,783.

### Surety Association Meeting

NEW YORK, Oct. 18.—The annual meeting of the Surety Association of America, which was to have been held

## Forgery Bond Expert Had Wide Experience



O. J. PERKINS

O. J. Perkins who has been manager of the forgery and bond department of the United States Guarantee for the New York metropolitan district will have his headquarters at 90 John Street, New York, where the head office is located. He is one of the experts in this line. He was in charge of the forgery department of the National Surety for eight years and for a time made his headquarters in Chicago. In 1929 he went to New York as vice president and in October of that year he was put in charge of the forgery department for the entire country.

here last Wednesday, has been postponed until Oct. 25, giving opportunity thereby for several important committees to complete reports upon which they have been industriously at work for sometime past.

### Taylor with Sweet & Crawford

M. L. Taylor has been placed in charge of surety production for the Los Angeles branch of Sweet & Crawford agency. He was formerly with the Maryland Casualty at Los Angeles and later in charge of the Arizona branch at Phoenix for the National Surety.

### National Names Bell & Parker

SEATTLE, WASH., Oct. 18.—Bell & Parker have been appointed general agents for the National Casualty for all lines except accident and health which line is handled by M. G. Closser as state manager. Bell & Parker has also represents the Preferred Accident in Washington.

### Seattle Accident Club Meets

SEATTLE, WASH., Oct. 18.—At the monthly meeting of the Accident & Health Club of Seattle, R. C. Forman, educational director Puget Sound Power & Light Company was the principal speaker. C. W. Rogers, president announced appointment of R. M. Bushee of Aetna Casualty & Surety on the nominating committee. The other two members are Mr. Rogers and Dwight Mead. The club voted to accept the proposal of the Insurance Society of Washington to sponsor an accident and health lecture and study course. Mrs. M. G. Closser, manager for accident and health department of the National Casualty in Washington, was selected by the Insurance Society of Washington to serve as vice-president of the latter organization in charge of the accident and health division.



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## NORTHWESTERN

Fire & Marine Insurance Company

John H. Griffin, President

MINNEAPOLIS, MINNESOTA

# 1794 1933

THE INSURANCE COMPANY  
OF THE  
STATE OF PENNSYLVANIA

PHILADELPHIA, PA.

Semi-Annual Statement, June 30, 1933

Reserve for Unearned Premiums.....	\$ 613,184.75
Reserve for Losses, etc.....	407,335.23
*Contingency Reserve .....	1,327,381.85
CASH CAPITAL .....	1,000,000.00
NET SURPLUS .....	1,657,069.10

TOTAL ASSETS .....\$5,004,970.93

SURPLUS TO POLICYHOLDERS...\$2,657,069.10

On Market Value Basis

Acquire

## THE OLD "STATE OF PENN"

\*Contingency Reserve represents difference between Insurance Dept. Values and actual Market Prices.

## PROVIDENT FIRE INS. CO.

Fire and Automobile Lines

## ROYAL EXCHANGE

ASSURANCE

## CAR and GENERAL

INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

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FRANK J. BUCHER, President

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Organized 1865

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## Reliable Fire Insurance Co.

DAYTON, OHIO

Surplus to Policyholders \$988,081

An independent Ohio Company with a record of more than 68 years of honorable dealing with Agents and Assureds

Send 9 cents in stamps for sample copy of

**The Accident & Health Review**

The only exclusive accident and health paper published.

Address your inquiry to A-1946  
Insurance Exchange, Chicago

Reduce Insurance Rates

Recommend

**JUSTRITE OILY WASTE AND SAFETY CANS**

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**JUSTRITE MANUFACTURING COMPANY**

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A progressive, dependable surety and casualty company—with an army of 9300 local agents—each a power in his community, and each a contributor to local growth and progress.

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UNITED STATES FIDELITY AND GUARANTY COMPANY

*with which is affiliated*

**F & G FIRE**

FIDELITY AND GUARANTY FIRE CORP.

*Home Offices:*

BALTIMORE, MARYLAND



# The National Underwriter

October 19, 1933

CASUALTY AND SURETY SECTION

Page Twenty-five

## Palmer Demands Deposit by Lloyds

Englishmen Expected in Chicago This Week to Confer on Illinois License

### REQUIRES \$250,000 FUND

Underwriters of Great London Institution Send Directors to Seek an Agreement

Widespread interest in the operations of London Lloyds in this country without benefit of state licenses has brought to light the fact that the underwriters at Lloyds, who have been licensed in Illinois since 1911, operating therefrom in many states through agencies named as attorneys-in-fact, have been called on by Director of Insurance Ernest Palmer to meet certain requirements, including deposit of a \$250,000 guaranty fund, by Nov. 1 or have their license withdrawn.

The Illinois director's demand is considered by the underwriters of so much importance that two representatives from London who, it is made clear, came to this country for other purposes, are expected to arrive in Chicago Friday in an attempt to reach agreement with Mr. Palmer.

#### Two Englishmen in Chicago

The English dignitaries who will visit in Chicago are L. J. Taylor, director of C. E. Heath & Co., and Harvey Bowring, director of C. T. Bowring & Co., both of London and agents for the underwriters at Lloyds.

Director Palmer's requirement is that the \$250,000 guaranty fund be not withdrawn or changed without approval of the Illinois insurance director. A certificate of compliance with the demand must be filed by Nov. 1. Formerly under other Illinois insurance superintendents no deposit of guaranty funds was required.

It is improbable that the underwriters at Lloyds will permit their Illinois license to be voided as a large volume of premiums is received from Illinois risks alone, and the agencies and brokers representing Lloyds in the state operate over a large part of the United States, covering risks with what from the local state viewpoint probably is considered unauthorized insurance.

#### Opposed Deposit Idea

For many years London Lloyds has not held the views of insurance departments about making guaranty deposits in the various states, nor, in fact, about securing licenses to operate and paying premium tax. This has been the heart of the complaint against the great institution by American insurance men.

London Lloyds, partly because of the lower overhead made possible by not paying commensurately with other

(CONTINUED ON PAGE 31)

## Changes in Disability Field in Past Ten Years Reviewed

A comprehensive review of the changes which have been made in the writing of disability insurance in the past ten years, with some suggestions as to others which are likely to come, was given by Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, in his address before the Industrial Insurers Conference this week at its annual meeting at French Lick Springs. He showed the steady ascent in the premium volume of accident and health insurance from 1923 to 1928, when the premium total was \$233,000,000 and the loss ratio only 51 percent, and the gradual diminution of premium income since that time to \$177,000,000 in 1932, with loss ratio of 66 percent.

He expressed the belief that in the next ten years the volume may again ascend to a point above that of 1928, while losses will be reduced by a lessening of unemployment, "although I am not optimistic enough to hope that the 50 percent average loss ratio will ever again be reached. Savings to be accomplished in reduction of overhead expense, in reduction of acquisition cost—and by this I do not mean the reduction of income to good agents but rather the waste in non-productive agency forces will mean a profit in our business and at the same time larger returns to policyholders than they received ten years ago."

#### Tendency Toward Uniformity

He spoke of the tendency toward a closer unity of effort in the construction of new policy forms and the adoption by voluntary agreement of uniform phraseology applicable to a particular class of business as illustrated particularly by the advisory policy forms of the Bureau of Personal Accident & Health Underwriters and the action of a group of companies in the Health & Accident Underwriters Conference writing quarterly premium business in formulating uniform phraseology for certain policy provisions and recommending a limited number of underwriting rules.

Among the new developments in policy forms, he took up the so-called newspaper accident policy, telling of the gradual change of attitude toward it and giving some interesting statistics in regard to that form of coverage, and the medical reimbursement policies which have come particularly into the limelight in the last three or four years. He described the types of coverage extended under this form and the changes both in rates and methods of writing the business that have been made since the form was first introduced.

#### Reimbursement Here to Stay

"With the appeal that the reimbursement provision has to the professional or business man and to employed women," he said, "it is a type of coverage that undoubtedly will become a part of all commercial contracts in the near future. Modifications may have to be imposed and rates adjusted, but the need of such protection and its attractiveness seemingly insure its continuance."

In that connection he spoke of the

development of hospital insurance, supplied in most cases by the hospitals themselves and not written to any extent by insurance companies, which is primarily a contract of service and does not as a rule contain any provision for payment of cash benefits. It has been given serious consideration by the American Hospital Association and plans have been developed by groups of hospitals in various parts of the country, but the fact that it has been exploited in some cases by promoters has caused distrust on the part of many hospital authorities, while organized medicine looks on the plan with strong disfavor.

Brief mention was also made of some other special forms, such as special automobile accident policies, deferred payment insurance, group disability, aviation coverage and other limited forms.

#### Changes in Underwriting Practice

Mr. Gordon listed as the most marked changes in underwriting practice the very general discontinuance of life indemnity coverage and the reduction of large principal sum indemnities. Some new policies are now being offered without a principal sum or in lieu of a principal sum covering both accidental death and dismemberments, a small principal sum covering accidental death and larger amount for the various dismemberments.

Rate increases have been inevitable but have not always been successful in overcoming the higher loss experience. In many cases, with the lapsing of good business and retention of the bad risks at the increased rates, losses have increased. The best solution, Mr. Gordon said, seems to have been the rewriting of many policies with waiting periods and lower limits of indemnity.

Mr. Gordon gave especial attention to merit rating plans, involving the giving of some additional benefit or reduction in premiums to policyholders with a satis-

(CONTINUED ON PAGE 31)

## About 2,600,000 Covered by Newspaper Policies

Approximately 2,600,000 people are insured under newspaper accident policies, representing a total volume of more than \$3,400,000, Harold R. Gordon told the Industrial Insurers Conference this week. These figures, which he regards as conservative, form probably the first accurate estimate ever made public as to the extent of this business.

One company writing newspaper policies examined in consecutive order 400 death claims due to automobile accidents, he said. Only 14, or less than 4 percent, carried other accident insurance; only 102, or 25 percent, carried life insurance, averaging only \$1,000. Of these risks, 297 left practically no other estate except this newspaper accident insurance.

## Consider Means of Meeting Conditions

Industrial Insurers Conference in Annual Meeting at French Lick, Ind.

### ROUND TABLE SESSIONS

Quality Rather Than Volume Is Stressed—Loss Ratio of Members Continues to Increase

#### NEW OFFICERS ELECTED

President—R. H. Dobbs, Industrial Life & Health, Atlanta.  
Vice-President—G. R. Kendall, Washington National.  
Secretary—W. B. Clement, Pilot Life.  
Chairman Executive Committee—P. W. Jones, Bankers Health & Life, Macon, Ga.  
Members Executive Committee—E. T. Burr, Durham Life; P. H. Estes, Life & Casualty; J. R. Leal, Interstate Life & Accident; O. E. Starnes, Imperial Life; C. S. Drake, Empire Life & Accident; C. A. Craig, National Life & Accident; W. R. Lathrop, Southern Life & Health.

#### By FRANK A. POST

FRENCH LICK, IND., Oct. 18.—The best means of meeting the changed conditions today formed the chief topic at the annual meeting here of the industrial insurers conference.

The added opportunities and responsibilities given to the industrial business under the NRA and other measures in the national administration's recovery program really formed the keynote of the addresses given at the opening session Monday. That point was stressed by H. N. Lukins of Louisville, general counsel of the Washington National, who gave the address of welcome, by P. M. Estes, general counsel Life & Casualty, in his response, by President E. T. Burr in his annual address and by Mark Archer, general counsel Empire Life & Accident, Indianapolis, in discussing the problems of his department, while the address of C. M. Biscay, Western & Southern Life, was given over wholly to that subject.

#### Tells of Changes in 24 Years

Mr. Lukins said that the past few years have afforded unusual opportunities to learn things, one of the foremost of these lessons being that when the old principles were forsaken, it was necessary to return to them. While business has been assured many times that the quakes were over, he declared that now business is unquestionably improving and the opportunities to serve policyholders are increasing. With insurance in general the greatest factor in maintaining stability, he said the industrial business has done more than any other for the working classes.

Mr. Estes also sounded an optimistic note in regard to business conditions and spoke of the improvements in the 24 years since the founding of the confer-

(CONTINUED ON PAGE 31)

## Automobile Rate Schedule for Washington Accepted

### COMMISSIONER IN ACTION

#### Reduction in Public Liability and Property Damage Scale Approved by Sullivan

What appears to be a long step in the direction of stabilization of automobile insurance rates in the state of Washington is acceptance by Insurance Commissioner Sullivan of the revised schedule of automobile public liability and property damage rates in that state which became effective Oct. 15. The schedule represents a reduction of 15 percent in private passenger public liability rates and of 10 percent in rates for private passenger property damage and commercial public liability and property damage rates.

It is understood that under the ruling Commissioner Sullivan will strictly enforce application of the rates for this class of coverage, with the result that non-bureau companies which have been writing at less than conference rates will be compelled to conform to the same level as bureau companies.

#### Called on for Experience

The commissioner will advise all companies writing this class of business in the state that he will not accept the filing of lower rates. Instead, it is understood, he will require all companies to submit their automobile public liability and property damage experience in order that it may be used to determine a revised schedule of rates to become effective about Feb. 1, 1934. The ruling, it is understood, will require all companies to subscribe to the same rules for writing automobile insurance in Washington.

The rate changes are applicable to all new and renewal policies written to become effective on or after Oct. 15, 1933, and no policies effective prior to that date are to be endorsed or canceled and rewritten to take advantage of or avoid application of the changes.

### Settles for \$500,000

Settlement for \$500,000 has been effected by the Massachusetts Bonding in a \$760,000 action brought by J. C. Trotman at Winston-Salem, N. C., as guardian of his four children. Trotman alleged that \$760,000 had been dissipated from a trust fund created for the children by their grandfather, the late F. M. Bohannon, tobacco magnate. Under the agreement, all assets in the hands of the receiver of the trust fund, estimated at \$100,000, are turned over to Trotman.

A suit was brought against Mrs. Trotman, former trustee for the trust fund, and the Massachusetts Bonding, which was her bondsman. The Massachusetts Bonding executed an agreement with Mrs. Trotman in which it is agreed she is not to be sued in any future action.

The Massachusetts Bonding was given all rights of Trotman against the American Trust Co., Merchants & Farmers National Bank and W. T. Shore of Charlotte, N. C. Shore has been indicted on two counts for embezzlement.

### Sales Argument in New Law

The Western & Southern Indemnity has prepared a soliciting pamphlet for use in Pennsylvania, based upon the Pennsylvania uniform automobile liability security law, which goes into effect Jan. 1. After setting forth in brief and understandable fashion the main features of the law, the company states: "The insuring of your automobile, for the necessary limits, with the Western & Southern Indemnity is the simplest, most economical and surest method of protecting yourself from the penalties of this law. Do it now."

## Work for Increase in Rates on Plate Glass in New York

### PRICE PRODUCT INCREASING

#### Decrease in Losses Is Found in Metropolitan Territory from Work of Racketeers

NEW YORK, Oct. 18.—Because of added cost in the manufacture of plate glass, casualty companies have been notified the cost of the product to them as well as to purchasers generally, has been increased on the average 30 percent insofar as the Greater New York territory is concerned. It is a fair assumption that the plate glass insurance rates for the territory will have to be revised in consequence, though no definite decision to that end has been reached as yet. While the charge for glass replacements to insurance carriers goes into immediate effect, it is months before the casualty offices feel the result of any rate increase for the indemnity they supply, the new tariffs of course not applying to business in force until it be offered for renewal.

Plate glass managers report a decrease in losses due to racketeering throughout the metropolitan territory, a fact attributed to the energy with which the police have been following the trail of gangsters devoted to practices of such character. For a time plate glass smashing in sections of the Bronx and in Brooklyn, assumed rather serious proportions, companies being uncertain as to whether it was the result of a systematic drive on the part of glaziers seeking to create work for themselves, or was done through sheer cussedness. Whatever the motive the result was rather expensive to the carriers.

The extent to which increased efficiency and cost reduction may be effected through co-operative effort is strikingly disclosed in the comparative

## Stir Caused by List of "A" Companies in Paper

A stir was created in Chicago by the publication in the Chicago "Daily News" of an article listing the casualty and specialty companies, licensed in Illinois, which write automobile insurance and are given an "A" rating by the A. M. Best Company. On the same page appeared a cartoon depicting a citizen holding above his head a tattered umbrella, the idea being that he was an assured in a "fly-by-night gyp" automobile insurance company. The article stated that the public had suffered in recent times from the operations of unqualified automobile insurance companies and that for the benefit of the public the "A" companies were being listed. The companies not on that list were kept busy answering inquiries from brokers and assureds. The companies not on the list resented the implication that their absence labeled them "fly-by-night gyps."

### Question Ohio License Law

COLUMBUS, O., Oct. 18.—The Ohio insurance department has asked the attorney-general to decide if the new law requiring that agents of domestic casualty companies be licensed, is retroactive or not. The old law provided that they need be certified to the insurance superintendent only.

figures recently put forth by the New York Plate Glass Service Bureau of the National Bureau of Casualty & Surety Underwriters. In August last the claim investigations, inspections and surveys made by the office, numbered 12,489, as against 7,855 performed in the same month of 1932, an increase of 58.9 percent, the additional work being made without any increased expense to member companies.

## Financing of Compensation Premiums Is Now Proposed

### COMPARATIVELY NEW FIELD

#### Plan Would Be Based on Obtaining Accurate Estimate of the Full Annual Payroll

The insurance companies in recent weeks have been approached by at least one finance company on the proposition of financing compensation premiums—a business which has heretofore been pretty much outside the scope of premium financing.

In order to finance compensation premiums, the companies are told, they would have to make a ruling that compensation policies would be written only for cash on delivery of the policy with a full annual premium based on a full estimated payroll or that such policies be financed by a responsible finance company.

#### Charge of 6 Percent

The finance company offers to make a charge of 6 percent per year on a reducing balance with a down payment of 25 percent of the full annual premium, the balance payable in monthly instalments, the first due one month after the policy date.

An important consideration would be the obtaining of an accurate estimate of the full annual premium. The finance company suggests that a sworn statement accompany all applications, of which the actual payroll expenditures for the previous three years is set forth together with an estimate of the payroll for the ensuing year. Possibly the latter estimate could be arbitrarily loaded in setting the advance premium. Then a sworn monthly payroll statement could be required. If an inadequate advance premium is disclosed later, an additional advance could be required and financed. If this were not done, cancellation could be effected.

The finance company points out that there is a considerable loss in compensation attributable to flat cancellations on policies in force 30, 60 or 90 days and on policies canceled for an earned premium, which is uncollectible, and also because of audit premiums, which are disclosed but are not collectible. There is an additional loss because some policies are written on a monthly, quarterly or semi-annual basis, for which no differential or adequate rate loading has been provided.

## Troublesome Problems Are Cited by Burr at Meeting

Insurance by and large has demonstrated its financial integrity, scientific practice of principles, etc., yet there appear ahead unusual situations which will require company officials and agents to exert their ability and resourcefulness to the limit, President E. T. Burr of the Industrial Insurers Conference stated in his address at the annual meeting at French Lick Springs, Ind.

The rate of interest earned on investments is an important item. He believes that because of present conditions, and especially legislation in some states, investment of private capital in real estate mortgages will be very small in future. The interest yield on high grade bonds is considerably lower than that promised by real estate mortgage loans.

He said although recovery may be uppermost in the public mind at present, the man in the business should not ignore the problem of taxation. Companies want to pay their just share, but officials should be alert to present unfair and unjust taxes collected in an indirect manner through insurance companies, but which in effect are a direct levy on funds of policyholders.

## Pages from Aetna Casualty Book

### AETNA'S HOME OFFICE BUILDING



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IT PAYS TO BE AN AETNA-IZER

### AETNA'S RECORD OF PAYMENTS



The Aetna Life Insurance Company and affiliated companies have paid more than a billion, three hundred million dollars to and for policyholders since organization.

IT PAYS TO BE AN AETNA-IZER

The educational, sales and advertising exhibit of the Aetna Casualty has been a familiar feature at many conventions of the National Association of Insurance Agents but this year at Chicago it was unusually interesting.

The exhibit resembled the pages of a huge book entitled "The Story of Aetna Sales and Educational Helps." The cover was at the entrance to the headquarters and the book was opened by stepping inside. Here were the

pages which consisted of a lettered message illustrated by hand painted panoramic background and a stage setting of miniature figures.

The exhibit consisted of 20 pages and cover and weighed more than a ton.

Those on hand to explain the exhibit included Secretary C. G. Hallowell, E. C. Knapp, field supervisor, Stanley Withe, advertising manager, and H. C. Pulver, assistant advertising manager of the company.



## Wisconsin Effects Compensation Pool

Statutory Plan Becomes Automatically Effective With Rejection of Risk

### COMMISSIONER'S ACTION

Haydon Discusses Problems—Ginsburgh Explains American Mutual Liability's Stand in Refusing Risk

MILWAUKEE, Oct. 18.—The statutory pool plan of handling rejected risks under the Wisconsin compensation insurance laws has automatically become effective, inasmuch as a member company of the Wisconsin Compensation Rating & Inspection Bureau has refused to accept a rejected risk assigned it by the general manager of the bureau.

Resulting from the difficulty being experienced by a certain foundry in its attempt to obtain workmen's compensation coverage despite having met all of the requirements of the rejected risk plan, the Wisconsin insurance commissioner has sent an order to the bureau withdrawing approval of the bureau's rules for voluntary commitment.

"Inasmuch as a member company has refused to accept a rejected risk assigned to it by the general manager of the bureau thereby creating a condition whereby an employer of labor subject to serious hazards has not been issued compensation insurance coverage, approval of the above plan is withdrawn and the general manager of the bureau is hereby instructed to assign rejected workmen's compensation insurance risks in conformity with the provisions of section 205.30 of the Wisconsin statutes."

#### Haydon Assigning Risks

George F. Haydon, general manager of the bureau, has announced that as the result of this order, combined with the fact that the majority of the mutual companies have refused to give any further support whatsoever to any plan of extending voluntary coverage, he is proceeding to order himself in accord with the rules especially drawn to provide for operation of a pool and is assigning all new risks to the members of the rejected risk committee for servicing.

With regard to risks which have been assigned in the past and which the assigned carriers may wish to order into the pool, Mr. Haydon suggests that the assigned carriers continue to extend coverage up to the expiration date of such risks, and then to order them into the pool on the understanding, however, that the bureau be given 30 days' notice in advance of expiration date.

#### Problem of Cancellation

With regard to such risks as the assigned carriers may desire to immediately order into the pool, it is of course manifest that the assureds must be served with the customary cancellation notice of 30 days as required by law, according to Mr. Haydon, who hoped that the number of such risks will be very few. The practical problems incident to deluging the servicing companies with a large number of risks should be sufficient to deter any procedure of cancellation or termination other than the conservative one suggested. There is also the problem of collecting new deposit premiums, he pointed out, while the adjustment of the premium on the unexpired policies remains open.

The joint meeting of the governing committee and the rejected risk committee

(CONTINUED ON LAST PAGE)

## Cooperation of Legal and Claim Departments Urged

MARK ARCHER GIVES TALK

General Counsel of the Empire Life & Accident Addresses the Industrial Insurers' Conference

Mark Archer, general counsel Empire Life & Accident, Indianapolis, in his address before the Industrial Insurers Conference spoke particularly of the necessity for close relations between the legal department and the claim department. He referred especially to the activity of attorneys in recent days in connection with questionable claims and their effort by cleverly emphasizing certain words and phrases to create an appearance of ambiguity, in which case of course any doubt will be resolved by the court in favor of the claimant. He urged that claims of this sort should be submitted to the legal department, both for advice in regard to combating them and for the purpose of correcting the wording of the contract, if that seems necessary.

He urged a speedy disposition of all claims, stating that delay in the payment of a just claim causes dissatisfaction on the part of the policyholder, which is likely to spread to others, while delay in the rejection of an unjust claim increases the difficulty in disposing of it satisfactorily. He particularly advised that any claim in regard to which there is any question be disposed of before it gets into the hands of an attorney.

#### Be Sure Evidence Will Stand Up

If a claim is to be contested, the adjuster should at once make a thorough investigation and get at the real facts. He should know something of the law of evidence, and for that purpose the facilities of the legal department should be at his disposal. If the evidence is such that the adjuster is satisfied that the claim is unjust, but is not of the sort that will stand up in court, efforts should be made to secure a settlement, rather than let it go to trial.

### Anderson New President

A brief business session for the election of officers was held by the Surety Underwriters Association of Chicago Tuesday afternoon prior to the real business of the evening—a joint gathering at Old Mexico in the world fair grounds with the Surety Association of Milwaukee. The nominating committee slate announced last week was elected. Elmer C. Anderson, American Employers, is the new president.

### Los Angeles Group Meets

LOS ANGELES, Oct. 18.—The fall meeting of the Casualty Association of Los Angeles was devoted to consideration of plans for carrying on an active educational program. A series of bulletins will be sent to all agents and brokers in southern California covering material of interest and practical value. The first bulletin will be prepared by Wm. E. Shiels, Los Angeles manager for the Travelers, casualty department and G. F. Houghton, Hartford Accident.

Leland Mann, Aetna manager, who recently returned from a visit to the home office, reported on conditions in the east.

### Ohio Company Changes Name

According to papers filed in the office of the secretary of state at Columbus, O., the Liberty Mutual Indemnity has changed its name to the Bell Mutual Casualty.

The Electric Mutual Liability of Lynn, Mass., has been licensed in Michigan. It is considered a subsidiary of the General Electric Company.

## John F. Horton Honored For 30 Years of Service



JOHN F. HORTON

In observance of his 30th anniversary in the service of the Aetna Life and affiliated companies, John F. Horton, Michigan manager for casualty and surety lines, was paid an unusual tribute Monday night at a testimonial banquet in Detroit attended by approximately 125 persons. The affair was arranged by a committee of agents and branch office employees, headed by Zelin C. Goodell, vice-president Dyer-Jenison-Barry Company and Lansing Insurance Agency at Lansing, and it culminated an intensive month-long drive throughout the state in which Aetna representatives piled up an impressive total of new business in honor of their state manager.

An amplified telephone hook-up with the home office in Hartford enabled Vice-President Cliff B. Morcom, in charge of underwriting, and Mrs. L. M. Horton, 77-year-old mother of the honor guest, to address the Detroit assemblage.

The home office was represented by C. G. Hollowell, secretary, and E. C. Knapp, field supervisor. Mr. Hollowell was at one time stationed at the Lansing office as was Mr. Horton. Both executives praised the Detroit manager for his excellent record.

#### Commissioner Gauss Speaks

Other speakers were: Commissioner Gauss of Michigan department; H. K. Schoch, Detroit manager Aetna life department; H. J. Crowder, Grand Rapids manager; G. L. Brown, assistant secretary Reo Motor Car Company, and Austin Jenison of the Dyer-Jenison-Barry agency, Lansing, who presented the honor guest with a set of matched golf clubs.

Mr. Horton, deeply moved by the anniversary encomiums, expressed his gratitude and voiced appreciation of the loyalty of his agency organization.

Ralph Goodell, secretary Dyer-Jenison-Barry Company and Lansing Insurance Agency, Lansing, served as toastmaster.

Mr. Horton began with the Aetna organization at the home office 30 years ago. He was transferred to Philadelphia as cashier. In 1917 he was sent to Lansing to take charge of that branch, remaining there seven years until he was transferred to Grand Rapids to open a new office there. In 1931 he was promoted to manager at Detroit.

### Boiler Men Meet

NEW YORK, Oct. 18.—Managers of the steam boiler departments of the casualty companies are attending the annual meeting here of the National Board of Boiler & Pressure Vessel Inspectors. J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters, addressed the gathering Tuesday. He stressed the need for adopting all practical regulations for preventing boiler explosions.

## Companies Keep Abreast of Times

Travelers Man Tells Ontario Agents of Inspection and Engineering Services Given

### ACCIDENT PREVENTION

Egloff Predicts Fine Future for Burglary Insurance—Public Becoming Aware of Benefits

Casualty companies have kept abreast of the times, J. H. Egloff, casualty supervisor agency field service of the Travelers, told the Ontario Fire & Casualty Insurance Agents Association at its banquet in Toronto. The companies not only have provided indemnity, but also have created and developed inspection and engineering services designed to prevent accidents.

New problems and opportunities confront the casualty business, he said, and probably the companies will meet the increased opportunities and obligations with the same energy, foresight and enthusiasm that have characterized the growth of the casualty business.

#### Earliest Casualty Coverage

Mr. Egloff said the first accident contracts were essentially the same as those of today, providing a lump sum for accidental death or loss of eyes or limbs as a result of accident and weekly indemnity during disability from accident. This is the oldest casualty line, having been introduced in this country by the Travelers in 1864. He said though accidents of those days were different from those of the present, it is significant that the number of victims per 1,000 policyholders was not much different. Meanwhile cost of conducting the business has been reduced and the advantage passed on to the public in more liberal benefits and broader policy forms.

Accident prevention has reached its highest development, he said, in the case of boiler insurance. Twenty or 30 years ago loss of life was common from boiler explosions, but this hazard has practically disappeared due to intensive inspection and engineering services provided by the companies.

#### Future of Burglary Insurance

Mr. Egloff predicted that burglary insurance, which had its beginning in 1885, is destined to become one of the great forms of casualty insurance. The public is just beginning to realize that no property is immune from modern day criminals.

Casualty insurance, he said, has served to remove many uncertainties from problems of business and individual life. It is a highly specialized business.

### Ruling Given in Maryland

Owners of commercial motor vehicles operating in Maryland are not required by law to carry liability insurance protecting the owners against injuries to their employees, Assistant Attorney-General G. C. A. Anderson rules in answer to an inquiry from Insurance Commissioner Walsh. The financial responsibility act adopted this year is intended to protect the public. Phraseology to the effect that motor vehicle operators must insure against judgments which might be recovered against them for death or personal injury to "any person or persons other than passengers" was not intended to repeal or replace workmen's compensation laws governing such employees, it was ruled.

## WORKMEN'S COMPENSATION

### Wisconsin Increase Accepted

**Companies Approve Commissioner Mortensen's Proposal and Withdraw Former Recommendations—Consider**

MILWAUKEE, Oct. 18.—The Wisconsin Compensation Rating & Inspection Bureau has accepted Commissioner Mortensen's proposal for a 9 percent increase in compensation rates effective Nov. 1, and has filed formal application to that effect. The bureau has also withdrawn its recommendations which Commissioner Mortensen disapproved, regarding the pitching of a rate level, the continuance of an emergency loading, the continuance of an expense constant and the distribution of a rate level between three major industry groups.

At the meeting of the bureau's rating committee, action was also taken on the industrial occupational disease schedule rating plan by voting that this plan be extended to include cutlery manufacturing with a loading of 15 percent, four-fifths to be removable when dust count

conforms to the industrial commission requirements and one-fifth when standard requirements are met. The committee disallowed a protest to the assignment of a classification No 3076 to steel clad refrigerators.

The general manager was instructed at all times to refuse to approve policies wherein the subrogation rights of carriers are waived. A definite rule of procedure was established since it occasionally happens, particularly in connection with operations carried on adjacent to or in conjunction with transportation companies, the subrogation rights of the carrier as respects such transportation companies are waived. Objection to permitting such a practice was considered both illegal and discriminatory.

The matter of amending the Wisconsin standard endorsement in the case of companies using the standard workmen's compensation and employers' liability policy to conform to the changed conditions of the act, especially as concerns the requirement of notice or renewal, were discussed. However, none of the proposals seemed to be entirely satisfactory. A form of endorsement, drafted jointly

by Commissioner Mortensen and a member of the industrial commission, was presented, together with a tentative set of rules designed to promote the satisfactory working of the amendment. F. P. Lawton, who represented the Wisconsin department at the rating committee meeting, said that neither the endorsement nor the rules were in final form, but at his suggestion they were made part of the record for the purpose of inviting comments.

### Rules on 15% Forfeiture

FRANKFORT, KY., Oct. 18.—The 15 percent forfeiture provisions of the workmen's compensation act will not be applied, unless it is shown by a preponderance of evidence that the injured man's failure to obey a particular rule, order or regulation was intentional, and that his disobedience in this respect caused or contributed, in some degree, to his injuries, the compensation board has declared in awarding full compensation to Ned Parks from the Crummies Creek Coal Company. The board declared that the burden of proof is upon the employer.

### New Jersey Commission Starts

NEWARK, Oct. 18.—At the organization meeting of the commission, which

was created last spring by the New Jersey legislature to investigate the workmen's compensation situation in New Jersey, Dr. A. F. McBride, Paterson, was made chairman and F. W. Fort, Jr., vice-chairman and temporary secretary. The first public meeting will be held Oct. 23 in Newark.

## Casualty Field Changes

### Bankers' Changes in N. Y.

**Cowley Appointed Manager of Metropolitan Claim Department with Baxter and Vogel as Assistants**

NEWARK, Oct. 18.—The Bankers Indemnity has appointed C. F. Cowley manager of its metropolitan claim department at 90 John street, New York with W. I. Baxter and L. E. Vogel as assistant managers.

Mr. Cowley entered the insurance business in 1923 with the General Accident, where he remained until 1928, when he resigned to become assistant claim manager with the American Automobile, which position he now leaves.

Mr. Baxter has been in the claim field since 1920, having been affiliated with the Ocean Accident and the Union Indemnity. Recently he has been supervisor of the claim unit of the New York insurance department liquidation bureau.

### Career of Vogel

Mr. Vogel entered the insurance business with the Bureau of War Risk Insurance at Washington, D. C., where he remained for several years and then entered the life insurance field as a representative of the Metropolitan Life. In 1923 he became identified with the casualty field and has been identified with the claim work of the New York Indemnity, Union Indemnity, Employers Liability and the American Mutual Liability, with a diversified experience in all branches of the claim field and specializing in workmen's compensation. He has been secretary of the New York Claim Association since 1929.

### Changes by General

SEATTLE, WASH., Oct. 18.—The General Insurance Companies have transferred G. C. Huskins, fieldman for two years, to southern California to promote automobile and miscellaneous lines. He is replaced at Seattle by H. W. Pigott. B. C. Sturgis, home office underwriting manager for the General Casualty Co., has assumed general underwriting supervision in the home office over automobile, miscellaneous, casualty, and surety departments. E. P. Welch, in charge of the home office surety department up to a year ago, becomes fieldman for the casualty and surety departments for the new metropolitan department at Seattle.

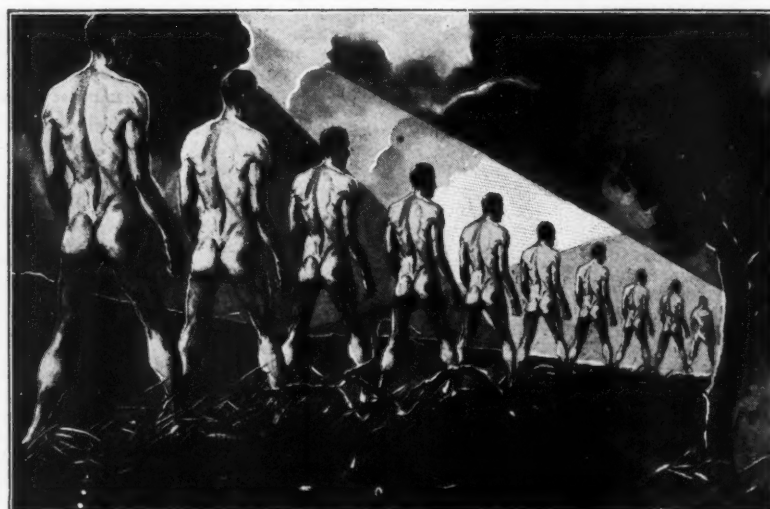
W. L. Hartman has been employed by the General Casualty of Seattle as its fieldman in Oregon. His headquarters will be with C. W. Walls, who will continue to supervise the Oregon business for the General Fire of Seattle and the First National.

Mr. Hartman began his insurance career on the Pacific coast in January, 1922, as Oregon fieldman for the United States Fidelity & Guaranty and subsequently was employed as Oregon and Washington fieldman by the Massachusetts Bonding, as Oakland branch manager for the Standard Accident, and as northwest fieldman for the Indemnity of North America.

### American Credit Indemnity Appoints

The American Credit Indemnity has appointed R. T. Renfro manager of the Ohio valley department with offices in the Standard Bank building, Cleveland.

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## Consider Means of Meeting Conditions

(CONTINUED FROM PAGE 25)

ence, both in the material position of the companies and in morale, referring to the bitter competitive feeling of the early days, often resulting in actual physical combat, and comparing it with the good feeling today.

Captain Burr devoted most of his address to a discussion of the effect on the industrial business of government activities, mentioning the dangers of such an extension of power and emphasizing the benefits, particularly the prospective elimination of unemployment claims masquerading as disability. He also reviewed the investment situation, the possible effects of inflation, the policy loan moratoria, taxation and NRA codes.

#### Executives Should See People

In amplifying the points made in his prepared address, Mr. Biscay declared that too many company officials had allowed the depression germ to get into their systems, and that they are too willing to accept agents' alibis. He suggested that it would be well for the executives to get out once in awhile and talk to people in various walks of life about present day conditions, so that they can "talk turkey" to the agents along those lines. He said there is a great lack of understanding as to what insurance is and does. The agents are in a rut and are not imparting this information as they should. He declared in that connection that the executives should encourage their agents to read the insurance journals. He said the companies should advertise their financial condition, as that is what the public particularly wants to know at this time.

#### McClain on Agency Situation

H. E. McClain, Indiana insurance commissioner, emphasized the need for a housecleaning in the agency ranks, taking his text from some of the talks given before the Industrial Section of the American Life Convention in Chicago last week. He said that while it is true that an agent is known by the company he keeps, it is also true that a company is known by the agents it keeps. While they are happily in a small minority, he declared that there are some agents that can be regarded only as a destructive influence in the business and said that 75 percent of the wor-

ries of his department come from these disreputable agents.

He also spoke of the lack of understanding of the true function of insurance and the need for educating the public. He expressed the belief that the industrial companies can do more to mold public opinion along this line than any other class. He promised the fullest cooperation of his department to the companies and also extended an official welcome to the conference on behalf of the state.

#### Craig Urges Quality

In introducing the round table discussion at the executive session Tuesday on "Agencies and the Standards That Should Control," C. A. Craig, National Life & Accident declared that too much stress had been laid on volume, rather than on the quality of business written. This led to the employment of agents that have a reputation as big producers, sometimes without any investigation of their records with the companies by which they were formerly employed. He urged more thorough investigation along this line. Various other company officials told of the methods they use to combat this problem.

In the other round table at that session on "Experience With New Forms of Coverage," A. D. Johnson, United of Chicago, told of his company's experience with a new accident and health policy which pays only half benefits for the first two weeks and slightly higher benefits thereafter, resulting in a great decrease in the loss ratio. Other discussants suggested that over insurance was a bigger problem in connection with the advancing loss ratio than short claims. The high loss ratio on women also was emphasized.

#### Discussions Held Over

Two other discussions scheduled for Tuesday, one on "Claims" introduced by C. P. Kendall, Washington National, and the other on "Limits and Selection of Industrial Life Risks" introduced by W. R. Lathrop, Southern Life & Health, were deferred to Wednesday.

The report of the statistical committee showed that the loss ratio of conference companies, which has shown an increase every year of the past 20, with but one or two exceptions, is still going up. With the premium income decreased from \$29,131,801 in 1931 to \$22,323,149 in 1932, the health and accident claim ratio jumped from 41.95 to 44.16 percent and death claims from 6.98 to 7.14, making the 1932 total, 51.3 and for 1933 including August, 48.94.

#### Constitution Revision Recommended

The report of the executive committee, submitted by Chairman R. H. Dobbs, recommended a revision of the conference constitution and by laws. On recommendation of that committee, the Standard Life of Jackson, Miss. was admitted to membership in the conference. The report of Secretary-Treasurer P. W. Jones, Bankers Health & Life, showed an improvement in the financial position of the conference since last year, although it was necessary to drop some companies for nonpayment of dues.

#### Langley Takes Look Forward

A. B. Langley, vice-president Carolina Life, in his address at the Tuesday session "Looking Forward," reviewed the difficult economic situation of the past few years, the service which life insurance has rendered, both throughout its history and in the recent crisis, and found the outlook for the future encouraging. In regard to President Roosevelt's "New Deal," he said:

"The old political philosophy has been discarded and the old cry against government in business silenced; today the government has a hand in the business of the entire country. Yet, what is there to say against it? Our old political philosophy and old formulas failed us in a grave crisis, and the gravity of the situation demanded prompt action. We turned to the government and got action, and the value of cooperation between

government and business is being demonstrated for the first time in the history of our country. It matters not what you and I, individually, think of the government program. It is the government's program, and it must not fail."

Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, who was the last formal speaker, gave a very comprehensive and illuminating review of recent trends in disability insurance, covering the major changes of the past ten years and suggesting some possibilities for the future.

## Palmer Demands Deposit by Lloyds

(CONTINUED FROM PAGE 25)

companies in this country for costs of supervision and general expenses of state, has been able to quote under the American market. As a result it has taken away from licensed carriers a tremendous number of risks, especially bankers' blanket bonds. In Chicago the situation has come to the pass that London Lloyds is said to have the vast majority of bankers' blanket bond risks.

London Lloyds, or rather the underwriters (for in considering this controversy it must be remembered that London Lloyds proper is merely a place of meeting, or an exchange, with no corporate entity that can be licensed), long have contended that all risks are backed by an unbroken successful history of some 300 years; that the provision denying the underwriters right to declare a profit on a premium for one year after expiration of the policy, is sufficient protection to the American insuring public. Practically all of the contracts are on the annual basis.

The underwriters contend that they have a very large inter-membership insurance fund, that they are limited as to their writings and a very strict selection of business is followed.

In the present situation there is the further disinclination to scatter funds in many quarters of the earth, subject to possible confiscation in event governments are overthrown, as occurred in Russia.

#### Expect Palmer to Be Firm

It is believed that Messrs. Taylor and Bowring will present all these views to Director Palmer; will point to an unbroken policy of conservative and successful underwriting, of prompt claim payments and careful investment policies.

There is every indication, however, that Director Palmer will remain firm in his stand that policies issued on Illinois risks be protected by deposit of funds in cash or acceptable securities. The sum of \$250,000 is more or less an arbitrary figure which Mr. Palmer is said to consider amply sufficient to protect London Lloyds policyholders in this state.

Illinois is the only state in the Union which has licensed the underwriters at Lloyds. The practice was started in 1911, when Lloyds qualified under the then Lloyds statute. This was broad and ineffective. A new Illinois Lloyds statute was passed in 1927. At that time John S. Lord, of the legal firm of Lord, Lloyd & Bissell, Chicago, who is the present sole attorney-in-fact for London Lloyds in Illinois, took up with the insurance superintendent the matter of licensing the underwriters at Lloyds.

#### Large Agencies as Brokers

He went abroad in 1928 and made arrangements under which nine attorneys-in-fact in Illinois were named and license for the underwriters was secured. The attorneys-in-fact were agencies and brokers, several being among the largest agencies in Chicago. They had initiated the move and Mr. Lord was their attorney.

Approximately two and a half years

ago the arrangement was changed, Mr. Lord becoming sole attorney-in-fact. As such he is the constituted representative to receive legal service in this country. An effort was made several years ago in New York to secure appointment of a representative for service there, but the plan fell through.

Mr. Lord stated this week that the underwriters at London Lloyds through the attorneys-in-fact in Illinois have been paying premium tax in that state. In addition, he said, a stamp tax has been paid to the federal government amounting to 3 percent of premiums remitted abroad, where no state tax was paid.

## Changes in Disability Field in Last 10 Years Reviewed

(CONTINUED FROM PAGE 25)

factory claim experience. In most cases the reward is made possible only after a year in which no claims have been filed by the policyholder. After outlining some of the plans used in that connection, he said:

"I am firmly of the belief that the renewal problem in the accident and health business can be bettered to a very great extent (1) by giving old policyholders who are about to renew their policies some advantage in the way of increased benefits or lower premiums over new policyholders or (2) by recognizing in some way through a merit system the continuance of a good claim record by each policyholder." He recognized the difficulties to be overcome but expressed the belief that some way to effect this can be worked out.

He spoke also of the effect on the business of legislation, insurance department rulings, where a better understanding exists toward the accident business than in the past, and court decisions, citing in the latter connection the "punitive damages" decisions in South Carolina.

#### Rate Differentials by States

In speaking of the necessity for rate differentials by states, Mr. Gordon referred to a tabulation he recently made of accident and health loss experience by states, showing that certain states have had consistently high loss ratios. He declared that it is obviously unfair for policyholders in a state that has shown a loss ratio of 74 percent for the last three years to enjoy the same rates as in a state when the loss ratio for the same three years has averaged only 50 percent, thus penalizing policyholders in a locality where the experience is very satisfactory.

He urged the necessity for the education of agents, not only in the fundamentals of the business and the best selling methods, but in selection of risks and above all in the basic idea of accident and health insurance that it is a protection against the loss of earning power, occasioned by either accident or sickness, and not compensation for a broken arm or pneumonia.

## Separation in Canada

Proposal is under consideration to transfer jurisdiction of the casualty business of organization companies in the western provinces of Canada from the Canadian Casualty Underwriters Association to the Western Canada and British Columbia Insurance Underwriters Association. The latter two organizations have jurisdiction over fire and automobile in their field. If the transfer is completed, the Canadian Casualty Underwriters Association may be continued to act in an advisory capacity as to rates and other details.

Such a step would probably be preliminary to enforcing separation in all departments of the business. That is, the company which is tariff in one branch will be required to be tariff in all and agents would be required to represent exclusively tariff companies or become purely non-tariff offices.

## ACCIDENT AND HEALTH FIELD

### Gives Method on Recruiting

**Grainger Tells Detroit Accident and Health Club of Plan Which Has Been Successful**

DETROIT, Oct. 18.—An effective means of securing the right type of agents in small cities and towns is to approach the banker, mayor or president of the village and superintendent of the high school, asking each to name two men well qualified to represent the company in that community, then to get their reaction to the names previously suggested and thus eliminate down to perhaps two or three for interviewing. Fred Grainger, agency director Federal Life & Casualty, told members of the Accident & Health Managers' Club of Detroit at the October meeting.

#### Also Helps in Sales

This method assures the securing of a high type of agent with little difficulty, but paves the way for several sales as well. The agency manager may accompany the new agent on visits to these men who made the suggestions, as well as calling on his friends and acquaintances, in order to get him started in good shape before leaving him to his own devices.

Several other members brought out the importance of selective preparation of prospect lists for agents. Ross Roberts, manager Business Men's Assurance, president of the club, reported excellent results from analyzing at regular intervals the occupations of persons to whom policies were sold.

### Washington National Names Leonard Coast Supervisor

W. T. Leonard has been promoted by the Washington National from manager of the Detroit district to supervisor of the Pacific Coast division, which comprises Los Angeles, Oakland, San Francisco and Phoenix districts, with headquarters in the Douglas building, Los Angeles. He has been in business about 38 years, having started with the Pru-

dential in 1895, and has been with the Washington National about 15 years in the Pittsburgh and Detroit fields, about three years of which period he was supervisor.

J. H. Fieldler has been named manager at St. Louis by the Washington National. He had been field superintendent in East St. Louis, Ill.

### San Francisco Course Popular

SAN FRANCISCO, Oct. 18.—Because of the heavy registration for the first accident and health study course ever held here, officers of the Accident & Health Managers Club of San Francisco have found it necessary to conduct two groups of classes in place of the one originally planned. Each class is to be limited to 25 members so that more personal instruction may be given, and it is possible a third class may have to be formed to take care of the registrations, according to B. R. Jones, accident and health manager of the Maryland Casualty, in charge of the study work. A fee of \$1 is charged by the club and classes are to be held on five afternoons.

## PERSONALS

J. Russell Craig of the Pennsylvania Indemnity was the guest speaker at a dinner which was given by the Newark Safety Council Oct. 17.

L. R. Eaton, manager of the accident and health department at the head office of the Fireman's Fund Indemnity, died as the result of an automobile accident.

Mr. Eaton started with the Fireman's Fund Indemnity in 1930. He had been manager of the accident and health department of the Associated Indemnity of San Francisco and prior to that was connected with the Pacific Mutual Life and U. S. Fidelity & Guaranty.

John R. Falconer, 58 years old, Louisville, Ky., manager of the accident and liability department of the Aetna Life died while seated at his desk. Mr. Falconer had been with the Aetna 15 years going to Louisville from St. Louis, 10 years ago, as manager.

President Frank G. Morris of New York City, president of the Standard Surety & Casualty, spent a week in Chicago on business. Mr. Morris is proving one of the progressive officials in his line.

James J. Hall, director of street and highway safety National Bureau of Casualty & Surety Underwriters, is celebrated, among other things, for the touching story of the death in an automobile accident of a little girl—"Tomorrow it may be my little pal or your little pal,"—with which he closes his speeches on safety. Bets were being laid prior to his appearance on the program of the convention of the National Association of Insurance Agents in Chi-

cago on whether Mr. Hall would relate this tale on that occasion. There were a few long chance gamblers who wagered that he would not and, of course, they lost.

Rockwood Hosmer, president Illinois Association of Insurance Agents, has become so enamored of this story that he has incorporated it in his repertoire and under proper conditions will tell it in such a way as to tug at the heart strings of his auditors scarcely less effectively than Mr. Hall himself. Anyway it's a good story and Mr. Hall proposes to stick to it.

Claude H. Barr, the newly elected president of the Illinois National Casualty of Springfield, Ill., served it as vice president and general manager and has long been a figure in automobile insurance activities in the state. In addition to all this he is prominent in his city in a civic way. He is head of the park board and is a socialite of distinction. In the latter he is aided and abetted by the charming Mrs. Barr.

Robert J. Hillas, former president of the Fidelity & Casualty will be 75 Oct. 25. Hale and hearty and keeping in close touch with casualty matters, Mr. Hillas is enjoying retirement at his home at Morristown, N. J., and reports he is as fit as the proverbial fiddle.

W. Irving Moss, president of the Hartwig Moss Insurance Agency and Moss & Co. of New Orleans, accompanied by Mrs. Moss, are en route to Vera Cruz, Mexico, on the Honduran steamship Morazan, on a pleasure trip.

### Wisconsin Effects Compensation Pool

(CONTINUED FROM PAGE 27)

tee continued over two days, since the meeting ended in a deadlock at the end of the first day's session and a recess was called until Wednesday afternoon.

In opening the meeting Manager Haydon advised that a new crisis had arisen due to the refusal of the American Mutual Liability to accept a risk assigned to it in the regular course of the administration of the rejected risk plan. Due to this refusal, and inasmuch as the risk had met all requirements as respects application to three companies, payment of premium and medical examination of employees, technically the statutory pool plan had automatically become invoked, in Mr. Haydon's opinion.

#### Ginsburgh States Circumstances

H. J. Ginsburgh of the American Mutual Liability stated that the circumstances surrounding the assignment of this risk has persuaded his company that the voluntary plan of acceptance constitutes a somewhat hazardous undertaking, due to the possibility and as happened in this case, of medical examination requirements being delayed beyond the 10 day period of grace and ushering in complications which might easily prove disastrous to the assigned carrier. He emphasized the American Mutual is convinced that the pool plan constitutes the most satisfactory means of handling risks which are undesirable because of occupational disease hazards. He further stated, however, that the company would be glad to give consideration to continue experimentation with the voluntary plan provided the rules be re-drafted along certain lines. Mr. Ginsburgh stated that the further the discussion developed, the less he became inclined to favor a continuance of the voluntary plan.

Stock company representatives were reluctant to accept the pool idea, while the majority of the non-stock companies wished to embrace it. The practical effect of the meeting was to leave the situation unchanged. However, Mr. Haydon acted upon the instruction of the insurance commissioner to assign rejected risks in conformity with the statutory

## Public Safety



ROBERT I. CATLIN  
Hartford, Conn.

Robert I. Catlin, assistant vice-president of the Aetna Casualty & Surety and the Aetna Life, was elected vice-president for public safety of the National Safety Council at its annual meeting. A. W. Whitney, associate manager of the National Bureau of Casualty & Surety Underwriters, was chosen vice-president for education. L. R. Palmer of the Equitable Life of New York was elected vice president for the division of safety councils.

pool provisions of the statutes, which thus becomes effective.

Arguments have been cited in favor and against both the voluntary assignment plan and the pool or reinsurance plan. One objection to the pool plan is that a company can never be certain as to just what its liability is. That is, in future years other members of the pool may be forced out of business and the liability thus be spread among a fewer number of companies. Furthermore since coverage may be automatically obtained through the pool, the argument has been advanced that the companies would not have the power to force an assured to conduct his operations with greater safety and install protective devices. Under the plan, by which an undesirable risk is assigned to carriers in rotation, the company can lay down the law to the applicant for insurance. Sometimes possibly an increased rate may be charged a rejected risk.

On the other hand, there are those who point out that under the voluntary assignment plan, a single carrier may be saddled with an exceptionally bad risk and assume a disproportionate burden. Most of the companies resent the necessity of participating in either plan where a state refuses to permit rate increases that are indicated as necessary.

#### SEEK SUPPORT IN ILLINOIS

The committee in charge of the voluntary rejected risk plan in Illinois has written to P. J. Angsten, chairman of the Illinois industrial commission, requesting him to bring influence to bear to induce the companies who are not now participating in the plan to sign up. Of the companies writing compensation business in Illinois, 40 are operating in the plan while 20 are outside of it. The compensation premium income of the participating companies is about \$6,500,000 while the income of those outside is about \$1,000,000. Of the 20 companies which are outside, only three are substantial writers of compensation, they being the General Accident, Metropolitan Casualty and Commercial Casualty.

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Would you cover boilers and engines under building or the contents?

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How would you adjust partial loss on an oriental rug?

What hazards of occupancy can often be eliminated?

What is the "bridging the gap" clause?  
If the undamaged part of the contents of a burned building is removed to another place, is it still covered by insurance?

Is expense of boarding up broken windows usually paid for as a direct fire loss?

What is the least amount of property an insured must own in order to have a blanket form?

What is the difference between a blanket form and a general cover contract?

« »

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